Pilot of F-16 Thanks God **And Marines** For Rescue

By Dan Williams

AVIANO AIR BASE, Italy — Shot down over Bosnia and alive to tell about it, Captain Scott F. O'Grady returned to his home base to a bero's welcome on Friday, and thanked God and the Marines for his rescue.

Showing few adverse signs from his six-day ordeal in hidiog, Captain O'Grady smiled broadly as he walked into a bangar where about 500 uniformed comrades and their families greeted him loudly. American school-children sang the Natinoal Anthem, and four NATO jets flew by in formation. Tears were in the U.S. pilot's eyes as

he thanked his rescuers. "They risked their lives to get me out." he said. "If you want to find some he-

roes, that's where you should look. They are the biggest heroes in the world."

Captain O'Grady's F-16 was shot down over northern Bosnia near the Ser-bian stronghold of Banja Luka oo June 2. He was rescued by U.S. Marines in the early bours of Thursday.

He said almost nothing about what be did oo the ground as he tried to evade capture, but declared that "God's love" had seen him through. After embraces with oilots who had flown with him, including one who saw Captaio O'Grady's jet hit hy a missile, he left to describe his ordeal to military debriefers.

Captain Bob Wright, who flew in a jet tandem with Captain O'Grady's the day of the downing, said he had seen the hit.
"His F-16 became pretty much a hig fireball," he said.

At least two FA-6 surface-to-air mis-siles were fired at the jet, officers at

Reuters reported from Aviano: The commander of NATO air forces in southern Europe said Friday that he believed Captain O'Grady had flown ioto a trap when he was shot down. The commander. Lieutenant General Mi-chael E. Ryan, said that Bosnian Serbs has been targeting NATO aircraft "in a very major way" since November.

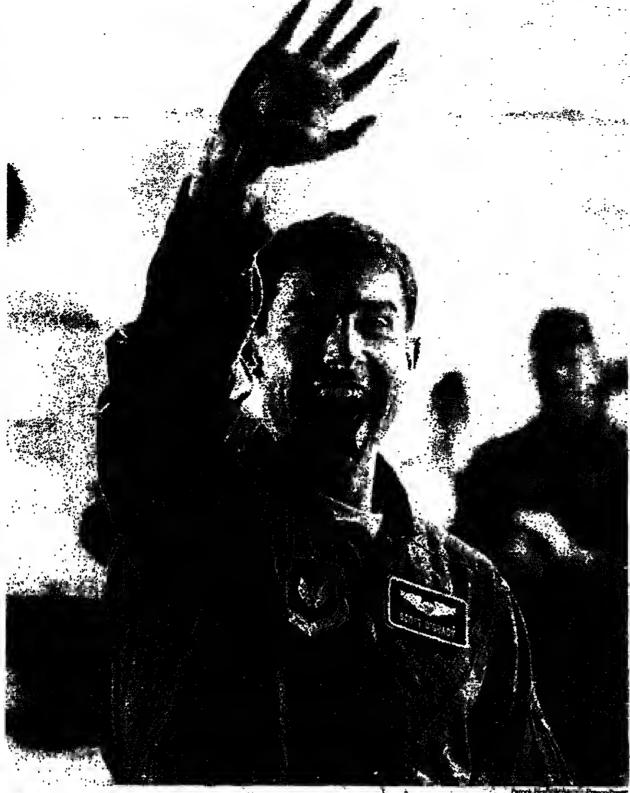
But referring to surface-to-air missiles, he added: "In the case of Scott O'Grady, they were in an area where we did not think they had SAM capacity. My per-sonal feeling is that they intentionally set a trap and sprung it."

General Ryan's declaration appeared to reflect a growing frustration among NATO airmen trying to enforce a United Nations no-fly zone over Bosnia that the Bosnian Serbs' anti-aircraft defenses have not been taken out by air strikes.

Asked whether be thought the Bosnian Serbs' sophisticated air defense system should be destroyed, the general said: "That's a political decision."

In Washington, a U.S. military survival expert said that Captain O'Grady
"had a lot of close calls" after he was

"He had a los of traffic around him so he could not go out and hunt for food." said Bob Dussault, deputy director of the Defense Department's survival training agency. The pilot survived on bugs and rainwater soaked up in a spooge. Mr. Dussalt said, avoiding capture by staying absolutely still and under cover during the days and moving about only at night.



Captain Scott F. O'Grady waving joyfully to the crowd on Friday on his arrival at the U.S. air base in Aviano, Italy.

In House Vote, Shift on Arming Bosnia

By Michael Dobbs Washington Post Service

WASHINGTON - By voting more than 3-to-1 for a unilateral lifting of the arms embargo against former Yugoslavia, the House of Representatives has in effect passed a bipartisan vote of no-confidence in the Clinton administration's handling of the Bosnian crisis.

The practical significance of the House vote is likely to be limited in the immediate future, as administration officials have said that the president will almost certainly veto the measure if it passes the Senate.

The political significance is considerable, however, as the vote illustrates the dismay felt by both Democrats and Republicans over a series of humiliating setbacks to the United Nations and the North Atlantic Treaty Organization in Bosnia, culminating in the seizure last

month of hundreds of hostages by Bosnian Serbs.

The vote was the first major congres sional ballot on Bosnia since the Repub-licans took control of Congress in November, and the change in sentiment from the past was striking. When the

NEWS ANALYSIS

issue of permitting the Muslim-led Bosnian government to arm itself first came up in the House a year ago, the resolu-tion passed only narrowly, and was watered down by the Senate.

At that time, a majority of House Democrats (132 to 117) supported the administration's position that a unilateral lifting of the embargo would have disastrous results, both for the United States and for Bosnia.

On Thursday, however, a large majority of Democrats (120 to 71) joined an even larger majority of Republicans (198 to 28) for a total vote of 318 to 99 in favor

of lifting the arms embargo at a time to

be determined by Bosnia's government. "This clearly shows the will of the American people—it is 3-to-1 for lifting the arms embargo," said the delighted Bosnian prime minister, Haris Siladzjic, who watched the voting to the House.

The House debate, and a series of hearings in both the House and the Senate, show that pressure is building up in Congress for a radical change in Balkan We are oot going to be put off by a

presidential veto, we will keep coming back," said Representative Christopher H. Smith, Republican of New Jersey, a co-sponsor of the move to lift the embargo. "People bere are frustrated with all go. "People bere are Irustrated with the ineffectual talk and diplomacy."

It was left to the former chairman of the House International Relations Committee, Representative Lee H. Hamilton, Democrat of Indiana, to put the admin-

See POLICY, Page 5

U.K. Reversal Allows Accord Appeals Court

By Kevin Murphy
International Herold Tribune

HONG KONG — After a sudden, sharp policy shift by the British govern-ment, London and Beijing agreed Friday to plans for a new supreme court for Hong

But the move, which should end years of uncertainty over the shape of Hong Kong's legal system after its 1997 return to China, outraged many local lawyers and members of the Legislative Council, which still must endorse the new Court of Final Appeal.

Critics of the agreement said that Brit-ain has opted for expedience over principle in its haste to ensure a smooth transition and limit further disagreements with Chi-

"It is an agreement in British interests, hut I suggest not in Hong Kong's interests, hut I suggest not in Hong Kong's interests," said the Democratic Party chairman, legislator and lawyer, Martin Lee. He wowed to oppose the accord in a vote expected on Wednesday.

Keen to avoid a rancorous repeat of a

conflict over political reform that badly shook the colony's confidence, British and shook the colony's confidence, British and Chinese negotiators early Friday morning finalized plans for the establishment of a local replacement for London's Privy Council, currently the last step in Hong Kong legal appeals.

But the agreement, which includes at least one new point of law concerning the court's limitations, largely mirrors earlier proposals rejected twice by local legislators.

It also contradicts a long-held British policy, strongly supported in the commu-nity, which holds that the court should be in place well before July 1, 1997, the first full day of Chinese rule.

"All along, the government has been saying that we need to have one as early as possible," said a legislator, Allen Lee, of the Court of Final Appeal in a query to Governor Chris Patten. "Is this argument

invalid now?"

Mr. Patten had threatened to press ahead with plans to set up a court without China's acquiescence, a strategy one senior aide said was being planned until Beijing offered London a compromise about a

Week ago.

If was not a particularly easy concession to make," said the senior Hong Kong official involved with the negotiations, describing the decision to delay the court's start until 1997;

"But when you look at the alternatives, leaving its formation until after 1997, or proceeding alone and risking China abolishing it later, I believe people will agree

that we have done the right thing," he said. Beijing has repeatedly said it will dis-mantle the local legislature in 1997 and replace it with one more to its liking because it disagrees with the electoral reforms instituted without its prior approval. According to Hong Kong negotiators, the court's delay until July 1997 was the price China demanded for its agreement to

plan the court now and to allow the Legislative Council to approve it. Since the Legislative Council rejected a 1991 agreement reached between Britain and China, Beijing had been reluctant to allow it another chance to vote on the

Beijing was also persuaded to drop its concerns about the court's right to examine constitutional questions and to agree to limit the government's post-verdict reme-dial actions on Court of Final Appeal

findings to criminal cases only.

Mr. Patten rejected criticism that Britain had given up too much in its negotia-

China Raises Its Rhetoric On Hong Kong Over Visit by **Taiwan Chief**

Lee, in U.S., Says Island 'Is Definitely Not Part' Of People's Republic

Compiled by Our Staff From Dispatches
BEIJING — China said Friday that

Washington's decision to allow the president of Taiwan to visit the United States was a "belligerent" act against China com-parable to the Korean and Vietnam wars.

"The United States is playing with fire."
the People's Daily, the Communist Party
organ, said in a strident editorial.

But President Lee Teng-lun of Taiwan.

firing back at Beijing during his American visit, asked for more international recogni-tion for Taipei and said the island "is definitely not a part of the People's Repub-lic of China."

The Beijing editorial said Washington had committed an "extreme act," adding that allowing Mr. Lee's unofficial visit to Cornell University, his alma mater, was "a

wanton wound inflicted upon China. Quoting from the writings of Deng Xiaoping, the paramount leader, the edito-rial said China had done nothing harmful to the United States, but called the Americans killers.

"The United States aided Chiang Kaishek in the civil war and thereby killed or injured an unknown number of people," the editorial quoted Mr. Deng as saying.

"After the founding of new China in 1949 the United States still presented a major threat to China," Mr. Deng went on. "The most glaring examples of its belliger-ence toward China were the Korean War and the Vietnam War."

In a reference to the anti-government demonstrations that were crushed by the army on June 3 and 4, 1989, the newspaper said, "The United States also got deeply involved in the counterrevolutionary rebellion that occurred in Beijing in 1989."

Mr. Lee, in a private meeting with several prominent Taiwanese-Americans at Cornell, in Ithaca, New York, said again that Taipei had no intention of bowing to Beijing's Communist regime.

"The Republic of China is definitely not a part of the People's Republic of China, and neither is it a province of that country," he said, according to his spokesman. Jason Hu.

"Based on that fact, we believe that the 21 million people in Taiwan need proper representation in the international com-

munity," Mr. Hu quoted him as saying. President Bill Clinton met Thursday with China's ambassador. Li Daoyu, but failed to resolve differences arising from

the Lee visit, the White House said Friday. Mr. Clinton took the initiative in arranging Thursday's meeting and in his talks with the envoy "reviewed the subject of the private, unofficial visit of President Lee," said Michael McCurry, the White

House spokesman. Mr. Lee arrived in Syracuse, New York, on Thursday and said his trip to the United States was "a dream come true" in the push to end Taipei's diplomatic isolation. He was met by Taiwanese well-wishers and three Republican senators: Jesse Helms, chairman of the Senate Foreign Relations Committee, Alfonse M. D'Amato of New York and Frank H. Murkowski of Alaska

Mr. Lee was then taken by motorcade to Cornell, which had invited him to debver the keynote address for class reunion cele-

Israel and Egypt Patch Up Differences

By Serge Schmemann No. Fork Times Senice

CAIRO — While Secretary of State Warren M. Christopher looked on with satisfaction, the leaders of Egypt and Israel met on Friday and declared an end to a cloudy patch in their relationship.

"There is no problem between us and Israel," said President Hosni Mubarak of Egypt, with Prime Minister Yitzhak Rabin of Israel and Mr. Christopher flanking him under the glittering lights of Mr. Mubarak's presidential palace. "We cooperate so that the peace process will continue."

"Any two countries in the world could have clouds appear over their relation-ship," he said, adding that those clouds had now dispersed.

The declaration marked an end to many months of diplomatie chill, created in large part hy Mr. Mubarak's displeasure over the exclusion of Israel from the Nuclear Numproliferation Treaty and over the Isracli government intention, later suspended, to expropriate some Arah properties io

The meeting and reconciliation in Cairo were brokered only over the last week by Mr. Christopher, and they marked an auspicious start for his latest effort to pump up the momentum on all tracks of the search for a Middle East peace settlement. Besides Israel and Egypt, Mr. Christopher will shuttle from his base in Jerusalem to Damascus, Amman and Jericho, the West Bank city where he will meet with Yasser Arafat, the chairman of the Palestine Liberation Organization.

Although Egypt is not technically one of

See MIDEAST, Page 5

Egyptians Battle Russian Navel Invasion

By Chris Hedges New York Times Service

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CAIRO - Egyptian belly dancers, condemned by Islamie militants as licentious and scorned by the general public as disreputable, face a new enslaught from Russian rivals, who have invaded the night-

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and crowd the banks of the Nile.

The Russian dancers began to appear in the clubs shortly after the breaktop of the Soviet Unioo. Now, about 100 professional Russian belly dancers are working in Cairo, about a third of all those registered with the morals police, who oversee the shows to make sure they do not become too bawdy. Egyptian belly dancers, famous for their skill throughout the Arab world, say they are increasingly having

trouble finding work. "Before the collapse of the Soviet Union, we used to get the odd foreigner here who tried to belly-dance," said Nagwa Fouad, one of Egypt's best-known belly dancers, "But they never stayed. Now

these Russians are everywhere."

Then she added: "A few, who actually studied dance, have good technique, but none of them dance with real feeling. Most

eiuts that line the road to the pyramids come for the money and work in the lowerclass clubs, where customers go not for the quality of the dancing, but the quality of the bodies."

Russian dancers are edging out the Egyptians, in part, because they accept lower pay, often half of the fee Egyptians charge. They are also allowed to gyrate in a more suggestive manner and wear more revealing costumes than the Egyptians. As foreigners, they are not bound by the restrictions imposed by the morals police, who require Egyptian belly dancers to wear mesh coverings over their beilies.

Many Egyptians say that the Russian dancers, hy taking jobs from Egyptians, are damaging Egypt's ancient tradition of belly dancing, usually passed down from mother to daughter.

Egypt has many belly dancers - one for See DANCE, Page 5



FOCUSED — Michael Chang eyeing a return to Sergi Bruguera, whom he defeated Friday to set up the final with Thomas Muster in the French Open.

EUROPE

THE AMERICAS Rightists Win in Ontario

Page 2. INTERNATIONAL Teaching the Past in Germany Cuban Army Goes to Ground

Japan Weaken Apology

AGENDA

Japan Won't Join Embargo on Iran

WASHINGTON (NYT) — In a sharp rebuff to the Clinton administration, the Japanese government told Washington on Friday that it would refuse to join its embargo on trade with Iran, and would remain Tehran's largest customer for oil. White House officials said that they

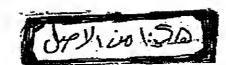
were not surprised by the decision and that they doubted that it was a direct retaliation for the U.S. threat to impose 100 percent tariffs on Japanese luxury cars starting later this month. 'They probably would have snubbed us on this

記りたいで

anyway," one of President Bill Clinton's senior economic advisers said Friday.

The decision added significantly to the strain between the two countries before Mr. Clinton's meeting Thursday with Prime Minister Tomitchi Murayama of Japan, before the start of the econo

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By Alan Cowell New York Times Service

BONN - In the tranquillity of the Konrad Adenauer High School, oo ooe has to fret about the kinds of things that worry Americans on campus, like guns or drugs, because such things do not happen here, said Heinz

Wilms, a history teacher. Since January, though, he bas been oudging his 10th-grade class of 16-year-olds to confront something much more momentous than school-yard discipline: the historical progression from Hitler's rise to power in 1933 to the Holocaust.

It is a course, Chapter 6 in a standard history text, that challenges Germany's young to come to terms with the hurden of a past far more cruel and destructive than teenagers anywhere

else in the world must contemplate. And it is part of the attempt by a postwar generation to explain why the past must not repeat itself to those who will one day run Europe's economic and political powerhouse. The effort, some educators argue, bas visibly faltered in the wave of attacks on foreigners and the rise of neo-Nazi groups since the Berlin Wall fell in 1989.

Yet, in interviews with students, both in Bonn and in a comparable high

school in what was once East Berlin, a clear impression emerged that while many young Germans sense no personal guilt for a past generation's crimes, they feel a responsibility to thwart any revival of racism, anti-Sem-

itism, militarism, and nationalism. At the same time, though, they share a nagging worry that their own history hampers what they say should be a justifiable sense of pride in their own nation's achievements.

Stefan Boehm, io the former East Berlin, commented: "You can't say: 'I'm proud to be a German.' Beethoven was a German, too, hut everything now is seen through the Second World

Some seemed uneasy with or skeptical at the government's line that the end of the war in Europe, 50 years ago in May, offered most Germans a liberation from Hitler's tyranny because, some students say, most Germans took part in what happened, one way or

In the effort to escape the Nazis' centralization of power, the authorities of the various federal states took responsibility for postwar education, so there is no single standardized curricu-lum for teaching modern German his-tory. But in 1991, the federal government's educational-monitoring agency

memory of the Holocaust is kept

In West Germany during the first postwar decades, Mr. Wilms said, his-

We cannot do anything about it -it was our grandparents that did it. But we

Barbara Schueler, a 16year-old student at Konrad Adenauer High School.

should not forget

tory books were written by Nazi-era teachers, and the urge to repress the past was widespread.

The new text seems to offer a fuller picture. And the chapter on the National Socialist era and the Holocaust. taught to 16-year-olds, enjoins them to ask: "Who knew what? Who participated and who kept their distance and

The answers seem to offer a broad context, not personal guilt. indictment: "Membership of the Nazi ilies, the school book tells young Ger- "But we should not forget it." mans, the reality was that by joining party and the dominance of the Na-

No effort is made to discount the Holocaust or the role played in it by individual Germans, the Nazi regime, or German industry. Part of the chap-ter chronicles the chemical giant I.G. Farben's establishment of a branch called f.G. Auschwitz, near the death camp in German-occupied Poland —a factory making artificial subber that used camp inmates as laborers and count sent them to the gas chambers when they weakened.

"Every student in Germany must tackle this theme," Mr. Wilms said.

No one can say they didn't know." They are taught that the Nazis came to power on the wings of economic collapse and humiliation at defeat in

urged that the National Socialists be subject to an "intensive and thorough treatment" in schools and that "the trough treatment" in schools and that "the trough treatment in schools are treatment in schools and that "the treatment in schools are treatment in schools and the treatment in schools are treatment in schools and that "the treatment in schools are treatment in schools and that "the treatment in schools are treatment in schools and that "the treatment in schools are treatment in schools and that "the treatment in schools are treatment i

We cannot do anything about it -Party promised influence, professional it was our grandparents that did it," security, a career." While those who said Barbara Schueler, a 16-year-old said later that they had joined simply student at Konrad Adenauer High to protect themselves and their fam- School, in suburb of Bad Godesberg.

For most Germans, education about the party, Germans "strengthened the the war begins at bome, in sometimes party and the dominance of the Na- painful encounters. "If you ask your grandparents if they supported the re-gime, you don't get an answer," said Matthias Fink, a scholar at the same

Not surprisingly, a group of 17-year-olds in the Hans und Hilde Coppi Gymnasium, named for anti-Nazi resistance fighters, in the less affluent Karlshorst district of the former East Berlin had different experiences to re-

In the depiction of the former Communist education system, said Daniel Hadrisch, 17, the East Germans, "were all anti-Fascists" while the Nazi mantle "was given to the West Germans,"

Their teacher, Roswitha Quiram, was more forthright. "I don't have a bad conscience," she said. "I don't see

of 740,000 francs for introduc-

ing Italian clients to the casino,

advancing them cash and mak-

ing sure they paid their gam-

The commissions were alleg-

edly paid by the Societé moné-

gasque d'avances et de reconv-rements, or SMAR, a kind of

collection agency for the casino.

Its director-general, Paul Dompé, was jailed last month

on fraud charges. Mr. Liverani, who said he

brought 20,000 elients to the

casino in 14 years, accused Mr.

Giaccardi of being responsible

sure from France over allega-

tions of tax evasion and money-

laundering, and there were once

fears that the government in

Paris would annex the mini-

Monaco has long faced pres-

for the commissions scheme.

hling debts.

Jailed in Monaco

By Barry James International Herald Tribune

Nice Matin, the newspaper in the neighboring Côte d'Azur city, said the police last week raided the office of Francis Palmaro, the director in charge of gaming at the casino, where the principality's chief prosecutor, Gastoo Carrasco, questioned him for two bours. Mr. Palmaro, who has immunity as a state councillor, was questioned again the oext day at police

newspaper said.

iailed two of the casino's agents. one for 10 days and the other

given the three-month sentence for using a false document to obtain a residence permit, apparently was involved in a sys- Cordoba, and many observers

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His family and friends Robin WESTBROOK

A memorial service will be at 5:30 p.m. at the Eglise Saint-Roch, 24, rue Saint-Roch, 75001 Paris

in Luxembourg

Casino Executive

a police investigation into al-Rainier III of Monaco.

The arrest of Stephane Giaccardi, secretary of the hoard of the Société des Bains de Mer, which operates the casino, follows the jailing of the director of a sister company and the conviction of two lower-level

employees

This was followed by the arrest last weekend of Mr. Giaccardi on a charge of false witness. Jodicial sources said Mr. Giaccardi was being held on this relatively minor charge while the prosecutor completed an investigation into allegations of irregularities at the casino involving wealthy Italian cli-

place for shady people.

cided with investigations of mob activity at other resorts along the coast just across from

Last month, a Monaco court Congress was dissolved and all

tem of hidden commissions

Saturday.

are sad to announce the death on June 5th, 1995 in Paris of

held on Monday, June 12th

World War I. They are taught about myself as responsible. But I would be Hitler's race laws. They are taught that responsible if it happened again."

Police Investigate Alleged Corruption

In a fresh scandal along the Pastis Belt, a senior manage-ment figure has been jailed after leged corruption at the Monte Carlo casino, the jewel in the business empire of the ruler, His Serene Highness Prince

headquarters and released, the

Warsaw Pact allies and the countries of the tary William J. Perry cooled his heels at a Senior U.S. officials expressed disap-

CUIS. Sources in the principality said the investigation was ordered by the 71-year-old prince himself as a result of reports of rising corruption in the city, which the author Somerset Maugham described as a sunny

In February 1993, a committee of the French National Assembly said Monaco was a leading mooey-laundering center three-man ruling military junta, for the Italian Mafia. This coin- after unrest among students

the Italian border such as Nice and Menton. The Société des Bains de Mer failed to respond to a request for information, or to confirm whether Prince Rainier bad or-

dered an investigation.

for three months, and ordered their expulsion from the city- placed; trade unions were state's territory and neighborng regions of France. relations consultant, who was aggressiveness generated grow-

he had received 15 million to 20 dent the following year. million francs (\$3 million to \$4 Bob Caron, 75, Tailgunner million) a year in commissions On B-29 That Hit Hiroshima

> Enola Gay when it dropped an atomie bomb on Hiroshima 50 years ago, died of pneumonia DEATH NOTICE

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BRIEFLY EUROPE

The second secon

U.S. Welcomes Talks on Air Travel PARIS - The United States is ready to oegotiate with the European Union on opening air travel markets, but the EU must first get a mandate from member states, Transportation

Secretary Frederico F. Peda said Friday. The U.S. will work with any European country or countries, either individually or collectively, where there is a real commitment to prompt and fundamental liberalization of air services with the United States," Mr. Peña said.

A quarrel has blown up since the United States and Britain agreed on a bilateral accord Monday to open up airport access to each other's airlines and dismantle restrictions. Neil Kinnock, the European transport commissioner, has

attacked such bilateral deals as undermining the power of the EU to bargain for all member states.

He said Friday that the commission would seek to such agreements declared invalid by the European Court of Justice but that it would not ask countries to renege on deals they had made. Six other EU nations and three countries outside the EU have initialed bilateral treaties with the United States: they are expected to be made formal soon.

Greece Resolute on 12-Mile Limit

ATHENS — Greece said Friday that it would extend its territorial waters in the Aegean Sea to 12 nautical miles "whenever it sees fit" and criticized Turkey for its recent "threatening words" over the disputed waters.

"Setting the limit for national waters is a Greek national right and enforcing this right belongs to the government," said the government spokesman, Evangelos Venizelos. "Greece has declared that it is willing to exercise this right

whenever it sees fit." He was replying to questions about a resolution passed by the Turkish Parliament on Thursday empowering the government to take military measures against Greece, a NATO ally.

Tension between the two countries has risen since the Greek Parliament ratified the international Law of the Sea Convention last week, which recognizes the right of countries to extend their territorial waters to 12 nautical miles.

Turkey has said that extension of Greece's national waters to 12 miles would be a cause of war and would turn the Aegean into a virtual Greek lake.

Rioters Burn 3 Schools Near Paris

PARIS - Masked youths set fire to three schools and a gymnasium in a Paris suhurb on Friday after a 21-year-old Frenchman of Moroccan origin was killed while fleeing police on a stolen motorcycle.

In a coordinated operation, the attackers torched a nursery school, classrooms in two secondary schools and a gymnasium in Noisy-le-Grand, east of Paris, according to the police. Five cars were also burned and shop windows broken.

Eric Raoult, the minister of integration, who is charged with reducing tensions in working class suburbs, said: "Fires broke out at regular intervals, lit by people wearing hoods moving very fast. This does not look like a spontaneous movement, but an organized movement."

Norway Flood Cost at \$350 Million

OSLO — Damage from the flood ravaging central and southern Norway will probably exceed \$350 million, making it the country's worst natural disaster in centuries, officials

Water continued rising Friday in the Lillehammer area and is not projected to crest until early next week. But rivers have receded in the valleys further north, revealing washed-out farmland and several devastated towns.

We had an even worse flood in 1789," said Sigbjorn Johnsen, Norway's finance minister, "But this is the largest natural catastrophe in modern times."

Juan Carlos Ongania Dies at 81, Led Argentine Military Junta

graphed the bomb's mushroom

cloud, had been assigned to test

B-29s in the U.S. Army during

World War II when he was

The blast killed 70,000 to

100,000 people and wounded

countless others. "No remorse,

no bad dreams," Mr. Caron

said in an interview published May 29 in the Rocky Mountain

News. "We accomplished our

NEW YORK (NYT) - Pe-

ter Kump, 57, one of the most

influential figures on the Amer-

ican food scene as founder of

Peter Kump's New York Cook-

ing School and the James Beard

Foundation, died of liver can-

cer Wednesday in East Hamp-

Mr. Kump was an indefatiga-

hie leader in the culinary world.

frequently hringing together

ehefs and educators to ex-

change ideas about the evolu-

tion of cooking here and

abroad. He also brought that

passion to his post as president

of the International Association

of Culinary Professionals in the

Peter Kump, 57,

Taught Cookery

ton New York.

mid-1980s

asked to join a secret mission.

NEW YORK - General Juan Carlos Ongania, 81, a cavalryman who was Argentina's to 1970, died Thursday of a heart attack at the Military

alry corps and a former army commander in chief, was installed as president by military officers who took power in a coup that overthrew his civilian predecessor, Dr. Arturo Illia, m 1966. Four years later, the tables were turned, and General Ongania himself was ousted, also in a coup, hy Argentina's three-man ruling military junta,

As president, the general moved speedily to buttress his power with repressive measures. In his first year as president, the police moved into the University of Buenos Aires and subdued and drove out faculty

members as well as students. In addition, the Argentine political groups were declared illegal. The judges of Argenticurbed, and the press and the g regions of France. arts came under government Gianpiero Liverani, a public censorship. General Ongania's ing resentment among Argentines. In 1969, rioting by workers and students erupted in said those riots became a factor He told a Monaco court that in the general's ouster as presi-

DENVER (AP) - Boh Caron, 75, the tailgunner on the

just call: 0 800 2703

Mr. Caron, who photo- Savely Kramarov, 60.

Russian Comic Actor SAN FRANCISCO (NYT) -Savely Kramarov, 60, a bungling, cross-cyed Russian comic who unified a generation of Soviet movie fans in laughter, died Tuesday at the Pacific Medical Center in San Francisco, 13 years after immigrating to the United States. His wife, Natalia, said the cause was endocar-

ditis. Americans knew Mr. Kramarov only from supporting roles he took on after leaving the Soviet Union. He played in "Moscow on the Hudson;" '2010," and "Red Heat,"

among others. Sheikh Imam, 78, a blind singer whose satirical pieces were long a thorn in the sides of Egyptian rulers, died Tuesday in Cairo after a long illness.

Walter Frehm, 89, who drew the syndicated Ripley's Believe It or Not cartoon feature for 30 years, died June 2 in Boca Raton, Florida.

Charles Ritchie, 88, who served as Canadian ambassador to Britain, the United States, Germany, and the United Nations, died Thursday in Ottawa.

TRAVEL UPDATE

Labor Dispute Halts All SAS Flights

COPENHAGEN (Renters) — All Scandinavian Airlines System domestic and international flights were grounded Friday, stranding about 56,000 passengers as pilots staged a one-day strike and management retaliated with a lockout. The latest round of negotiations over pilots pay collapsed

Thursday evening, causing the airline to cancel more than 800 flights on international and domestic routes and lock out about 1,600 pilots.

SAS said that oegotiations were due to resume in Stockholm ou Saturday and warned that if these failed to avert other 24-hour pilot strikes announced for June 12 and June 14, it would again impose lockouts and ground all flights. An SAS spokesman estimated that the pilots' action would cost SAS about \$14 million

Nile cruises have resumed in Asynt Province in southern Egypt. ending a 45-day suspension of such trips because of attacks by Muslim militants. Police crackdowns on the militants in Assiut have pushed them farther north into Minya Province. (Reuters).

The seven British surports of BAA PLC handled 7.8 million passengers in May, up 7.1 percent compared with same month last year, the company said. In England, Stansted posted a 12 percent increase; Southampton, 8.8 percent; Heathrow, 6.6 percent; and Gatwick 8 percent. In Scotland, Edinburgh was up by 10.6 percent; Aberdeen, 7.6 percent; and Glasgow, 2.9 percent. (AFX)

The use of the name "Eurosian" for the high-speed train between London and Paris constitutes counterfeiting and must be stopped, the Paris Court of High Instance ruled Friday. The decision was made on a lawsuit brought by a Paris delivery and chartering company, Eurostart, which registered its name in 1989.

The two words sound the same to French speakers, the court

'Partnership': Russians Have Better Things to Do BRUSSELS - NATO defense ministers met their counterparts from Ceotral

and Eastern Europe on Friday, but Russia, the alliance's main Cold War adversary. shunned both old allies and new friends. NATO's secretary-general. Willy Claes, opened a meeting of 26 countries taking part in the alliance's Partnership for Peace program, designed to enhance security in post-Cold War Europe, with a call for

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MUNICH INTERNATIONAL COMMUNITY CHURCH, Evengelical Bible Belleving, services in Engli-sh 4:30 p.m. Sundays at Enhuberatr. 10 (UZ) PARIS and SUBURBS EMMANUEL BAPTIST CHURCH, 56 Rue

des Bons-Raisms, Rueil-Malmaison. An Evengelical church for the English speaking community located in the western suburbs S.S. 9:45: Worship: 10:45. Children's Church and Nursery. Youth ministries Dr. B.C. Thomas, pastor. Call 47:51:29.63 or 47:49.15:29 for information. HOPE INTERNATIONAL CHURCH (Evangalical). Sun. 9:30 a.m. Hotel Orion. Matro 1 : Esplanade de La Oélense. Tel: 47.73.53.54 or 47.753.14.27.

THE SCOTS KIRIK (Presbytenan) 17 rue Bayard 75008 Metro: Roosevelt. Sunday Service and Sunday School 10:30 a.m. All Welco-ma. Tel: 48.78.47.94. SAINT JOSEPH'S CHURCH (Roman Catholic). Masses Sunday: 9:45 a.m., 11:00 a.m., 12:15 p.m., and 6:30 p.m. Saturday: 11:00 a.m. and 5:30 p.m. Monday-Fnday: 8:30 a.m. 50, avenue Hoché, Paris 8th. Tel.: 42:27:28:56. Metro: Charles de Gaulle - Biole. 42.77.26.5b. MBHS CHURCH (evangelical Anglican). Sundays 10:30 a.m. (with childrens club and credne) and 8:30 p.m. Midwesk study groups. Christ-centered fellowship in the

dy groups. Christ-centered fellowship in the heart of Parts. 5 rue d'Aguesseau, 75008. Tel.: 47.42,70,88. Metro: Concorde. ST. MARK'S Versalles, 31 rue du Pont Cobert, evangelical, welcoming to all christians. English splig. Services Sun. 9: 10:30 a.m. w/children's program & nursery care, 39.02.79.45 for info. TOKYO

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3740, Worship Service: 9:30 a.m. Sundays.

TOKYO UNION CHURCH, near Omotesando subwey Sta. Tel.: 3400-0047. Worship Services Sundey 8:30 & 11:00 a.m. SS at USA

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HESDELBERG: (49) 621 581 719

(41) 52-232-0051.

TWO FOR THE SHOW - The Free Democratic Party general secretary, Guido Westerwelle, making victory

signs behind two leading candidates for party leader Friday in Mainz, Germany: Wolfgang Gerhard, left, and Jürgen Mölleman. Delegates from the local party groups won time for debate before they choose a new leader Saturday.

He called the partnership "ooe of the

most extensive programs of security coop-

former Soviet Union, was one of the few

Defense Minister Pavel S. Grachev in-

stead accompanied President Boris N.

Yeltsin to a meeting in Ukraine. His place

eration ever conceived.

RELIGIOUS SERVICES KAISERSLAUTERIN (49) 6395-6595 MICHOCH: (49) 821-47-24 86 or (49) 89-28-2325 meets 4th Sunday each mo. at 2 p.m., Peace Church, Fraueniobstr. S. Munich. METHERLANDS: (31) 71-14-09 88.

UTC (44) 81-891-0719. WESBADEN: (49) 612-87-2 109. For information write: EUU do Hertz, Frydenlundsvej 49. DK=2950 Vedbeer, Denmark

Fax + Tel.) (45) 42-89-4184. INTERNET: G HERTZ @ NORDITADK

UNITARIAN UNIVERSALISTS FELOWSHIP OF PARIS "Serendipity" will be the topic of the tay-led service of the UNITARIAN UNIVERSALIST PARTS FELLOWSHIP on Sunday, June 11, 12 noor. Foyer de l'Ame, 7bis, rue du Pas-teur Wagner, Pans 11e, Mº Bastille. Reli-grous education for seens and children. Child care. Meditation and spiritual growth groups. Social activities. For information call:

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11 a.m. Rite II. Via Bernardo Rucellai 9. 50123, Florence, Italy. Tel.: 3955 29 44 17. FRANKFURT CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Rinz St. 22, 60323 Frankfurt, Ger-

many, U1, 2, 3 Miquel-Alles, Tel; 49/69 GENEVA EMMANUEL CHURCH, 1st, 3rd & 5th Sun. 10 a.m. Eucharist & 2nd & 4th Sun. Morning Prayer, 3 rua de Monthoux, 1201 Geneva.

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nd. Tel.: 41/22 732 80 78.

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ROME ST. PAUL'S WITHIN-THE-WALLS, Sun. 8:30 a.m. Holy Eucharist Rife t. 10:30 a.m. Choral Euchanst Ree II; 10:30 a.m. Church

nations not represented by a minister or stand-in turned up.

BRUSSELS/WATERLOO ALL SAINTS CHURCH, 1st Sun. 9 & 11:15 a.m. Holy Eucharts with Children's Chapel at 11:15. All other Sundays: 11:15 a.m. Holy Eucharist and Sunday School. 563 Chaus-sés de Louvan, Chain, Belgium. Tel. 32/2 384-2558.

But Moscow, unlike most of its former of East-West rivalry, U.S. Defense Secre-

WIESBADEN THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 a.m. Family Eu-

charist. Frankfurter Strasse 3. Germany. Tel: 49/611.30.66.74. **EUROPEAN** BAPTIST CONVENTION

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LB.C. (English language) meds at Evangei-sh-Freidrichlich Kreuzgemeinde, Hichento-hestrasse Hermenn-Bose-Sir. (around the comer from the Bathniof) sunday worship 1700 Ernest D. Walker, pastor. Tel. 04791-BUCHAREST I.B.C., Strada Popa Rusu 22, 3:00 p.m. Contact Pastor Mike Kemper, Tel. 312 3660. BUDAPEST

I.B.C., meets in Morics Zeigmond Gimna-zium, Torokveez ut 48-54, Sundays, 10:00 Coffee Fetovship, 10:30 Worship, Take Bus 11 trom Batthyany ter. Other meetings, call Pastor Bob Zbinden, Tel. 250-3832. BULGARIA

I.B.C., World Trade Center, 38, Orahan Tzankov Blvd, Worship 11:00, James Duke, Pastor Tel: 704367. CELLE/HANNOVER I.B.C., Windmulen Stresse 45, Celle 1300 Worship, 1400 Bible Study, Pastor Wert Campbell, Pt. (05141) 46416.

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p.m., Dr. Thomas W. Hal, pastor. Tel.: 069-

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was taken by Russia's ambassador to Bel-

pointment that no meeting took place, hut

said they did not consider they had been

Later, to a scene reminiscent of the era

gium, Vitali I. Churkin.

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meets at the Caech Baptet Church Vinor radska # 68. Prague 3. At metro sep Jaho Podebrad Sunday a.m. 11:00 Pasion Bo Ford (02) 311 7974. WATERLOO

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Rightists Capture Ontario Election

Voters Toss Out Socialists in Favor Of Party Promising to Cut Taxes

By Anne Swardson Washington Post Service

TORONTO -- Voters in Ontario, home to one-third of all Canadians, have voted to throw out the province's governing so-cialists and bring to power a party with one of the most con-

servative programs in Canada The Progressive Conservative Party, under the leadership of Mike Harris, won 45 percent of the popular vote and gained 82 of the 130 seats in the provincial legislature, according to projec-tions by several Canadian television networks.

The Liberal Party followed with 31 percent of the vote and 30 seats, the incumbent New Democratic Party with 20 percent and 17 seats and an inde-

Mr. Harris, who would take office as Ontario's premier in the next few days, moved to the lead in recent weeks by proposing such American-style measures as a 30 percent cut in income tax rates, "workfare" for welfare recipients, an end to affirmative action and deep cuts in many government programs to balance the provincial budget in five years.

"For those who work and cial victory, however, may offer those who employ, we will work them a road out of the wilder-to remove barriers to growth in this province," Mr. Harris told Mr. Harris, 50, is a former ski supporters in his home town of North Bay as they chanted Cut, cut, cut" in a reference to his tax proposals.

A Harris victory would mark innovation and enterprise.

a sharp turn away from the so-cialist New Democratic Party government of Premier Boh Rac, who was elected five years ago amid promises of more spending on child care, educa-tion and housing.

Higher government spending and a deep recession increased the provincial deficit to nearly \$13 billion at its peak and forced Mr. Rae to take unpopular money-saving measures. Rather than lay off civil ser-vants, for instance, he imposed 12 mandatory unpaid-leave days for the province's employ-

Mr. Harris's apparent victory is the latest in a series of conservative victories in Canada. In the 1993 federal elections, the cent and 17 seats and an inde-pendent candidate with one seat. Reform Party, which has its roots in the populist West, be-came the third-largest party in the federal Parliament. Its leader, Preston Manning, was seen as the first Canadian politician to win office by calling for reductions in the budget of a nation historically proud of its generous social safety net.

That election tossed the federal Progressive Conservatives out of power and reduced them to two seats in the House of Commons. The Harris provin-

and golf instructor. He and his father owned a ski resort, which, aides say, helped shape his view that high taxes stifle

Cuba Arrests Vesco **But May Expel Him**

By Steven Greenhouse New York Times Service

WASHINGTON - The Cuban government has arrested Robert L. Vesco, who fled the United States in 1973 to avoid swindling charges, and has ap-proached Washington about re-turning him to the United States, according to Clinton administration officials.

The United States has sought the fluencier's extraction for years on an indifference that it is a funding matural fund investors of \$224 million.

American officials said they did not know what crimes Mr. Vesco had been charged with in Cuba. But they said they suspected he was arrested partly to cultivate goodwill with the United States as Havana seeks to improve ties and persuade the Clinton administration to

ease the economic embargo.

"He was arrested in connection with things he did in Cuba, not to things he did in the Unit-ed States," said an administra-tion official, who confirmed

Mr. Vesco's arrest. Mr. Vesco, 59, has been liv-ing in Cuba since the early 1980s, and federal prosecutors have said they suspected that he was involved in the drug trade since about that time. In 1989, he was added as a defendant in a narcotics conspiracy in Jacksonville, Florida, accused of persuading Cuba to allow planes carrying cocaine to pass over the island on the way to the

When Mr. Vesco fled the United States more than two decades ago, he began a great fugitive saga, which was marked by continuous guessing as to his whereabouts. He was charged with skimming huge sums from a Geneva-hased mutual fund, Investors Overseas Services, and he was also under indictment for making an illegal \$200,000 campaign contri-bution to President Richard

Justice Department officials said Thursday night that the U.S. government had recently received an inquiry about the possible transfer of Mr. Vesco to the United States.

A law-enforcement official said the government was still gathering information about the overtures. At the moment, he said. "no negotiations are imider say", for the return of Max Vesco to the United States.

American officials said that over the years there had been many reports that Mr. Vesco might soon be sent back to the United States.

One American official said the administration was certainly happy about Mr. Vesco's arrest, but he was reluctant to discuss the case for fear of spoiling talks with Cuba about

Mr. Vesco's possible return. When Mr. Vesco fled the United States, he first went to the Bahamas, but then was granted asylum by Costa Rica. He lived there for five years but was expelled when the govern-ment there changed. He is believed to have returned to the Bahamas. Cuban officials acknowledged in the 1980s that Mr. Vesco had moved to their island in 1982.

At the time, Cuban officials insisted that they had not granted entry to Mr. Vesco for him to engage in drug smuggling or to help import American goods in defiance of the trade embargo. They said he was admitted because, in supporting his wife and two daughters, he was pumping a great deal of money into the Cuban economy.

Although the swindling charges go back more than 20 years, the statute of limitations does not apply to Mr. Vesco because he had been indicted then and has not been tried.



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Mike Harris celebrating his victory in Ontario with his wife, Janet.

POLITICAL NOTES

Pulling the Plug at Energy
WASHINGTON — House Republicans have outlined their plan to dismantle the Energy Department hy shifting the government's nuclear weapons complex to the Defense Department selling oil reserves and creating an independent commission to assess the future of the department. commission to assess the future of the department's 30 lahoratories.

"There is no more reason for a Department of Energy than there is for a Department of Automobiles," said a Republican freshman leader, Sam Brownhack of Kansas. Representative Todd Tiahrt of Kansas, who led the task force on the Energy Department, estimated the cahinet elimination would save \$20 hillion over five

The proposal would create an independent civilian agency at the Pentagon to manage the nation's nuclear arsenal and the cleanup of radioactive and toxic waste at old bomh factories and research sites. The Republicans also would sell off five federal power agencies that provide cheap power to industry and citizens, including the Bonneville Power Administration in the Pacific Northwest, as well as the Naval Petroleum Reserve and parts of the Strategic Petroleum

Senate Aims at Term Limits

WASHINGTON — The leader of a Senate Republican task force that proposed rules to strengthen party discipline says additional changes may be made to include imposing term limits on Senate leaders as well as heads of

Support for some kind of leadership term limits -- similar to those imposed by the House on its speaker earlier this year - emerged during a closed-door meeting of Republican senators to begin discussion of the plan, which is aimed at enforcing more party unity and decreasing reli-

ance on seniority as a way of choosing committee chairmen.

The effort grew out of the furor last March over the refusal by the Appropriations Committee chairman, Mark O. Hatfield of Oregon, to support the balanced budget constitutional amendment and an abortive attempt by some conservatives to strip the veteran Republican moderate of his chairmanship.

U.S. Dodges on Gay Rights

WASHINGTON - With President Bill Clinton's backing, Attorney General Janet Reno has announced that the Justice Department will stay out of a major gay rights test case before the Supreme Court over Colorado's han on extending discrimination laws to homosexuals.

Ms. Reno's decision, administration officials said, followed an extended and vigorous dehate within the White House over whether entering the fight on hehalf of gay rights advocates car-ried a political cost for Mr. Clinton. Ms. Reno said the Justice Department decided against entering the case because there was no federal issue

The decision infuriated gay rights activists, some of whom warned that Mr. Clinton risks losing a community that was an important fundraising ally when he ran for president in 1992 hut

Quote / Unquote

Vaclav Havel, president of the Czech Republic, the keynote speaker at Harvard's 344th commencement ceremonies: "Many nations, or parts of them at least, are struggling against modern civilization, for the right to worship their ancient gods and obey the ancient divine injunctions. They carry on their struggle using weapons provided by the very civilization they oppose." (AP)

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AMERICAN TOPICS

Nature May Show Insomniacs How to Sleep Like a Kitten

A compound found in sleepy cats may be the substance that could bring natural, drug-free sleep with no hangovers to

"This compound creates a natural deep sleep, but one from which the test animals could be aroused," said Steven J. Henriksen, a sleep scientist at the Scripps Research Institute in La Jolla. California, in the current issue of Science magazine. "They were not drugged."

Mr. Henriksen said the sleep potion is natural brain chemical that apparently plays a key role in causing slumber.

"It probably exists in all mammals," he said. The substance is a lipid, a compound that helps cells to communicate within the brain.

He said it could possibly be developed into a pill that would hring sleep to the sleepless without causing the all-toocommon next-day symptoms of grogginess, headache and exhaustion.

Short Takes

A father-son robbery team in Wiscon-sin, James Oswald, 50, and his son Theodore, 19, were sentenced to life without possibility of parole for a bank robbery and shootout in which a policeman was slain. Circuit Judge Lee S. Dreyfus specified that the Oswalds must spend their lives in separate prisons.

In Concord, New Hampshire, District Court Judge Alfred J. Cirone Jr. dismissed assault charges against Michael A. Towne, 20, a restaurant cook accused of spiking the ham-and-egg "Moon Over My Hammy sandwiches of two Ver-mont state troopers with Tabasco sauce and causing them burning mouths and stomach pain. The judge said that although it would be a crime to put dangerous material, like broken glass, in the sandwiches, Tabasco sauce did not count especially since one trooper devoured

his entire sandwich and the other ate most of his. Judge Cirone said a civil suit would be the appropriate remedy.

In an effort to reduce the pigeon population around Times Square, New York City authorities are warning pigeon feeders to cease and desist or face fines as high as \$250. The sanitation department also has stationed a plastic owl on a sidewalk planter, since owls are pigeon oredators. Christine Sheppard, curator of birds at the Bronx Zoo, holds out scant hope for the efficacy of the phony owl. "Hilarious," she said. "These hirds are not stupid. In order to survive in the wild, pigeons have to be aware of predators. Any bird that sits still for 24, 48, 96 hours, they know is not dangerous."

The actress Janet Leigh, now 67, long ago revealed that ever since her character was stabbed to death in the shower in the 1960 film "Psycho," she has taken only tuh baths. She added recently that her bloodcurdling screams in the murder scene were simply good acting. She denied a long-standing rumor that the di-rector, Alfred Hitchcock, got her to scream hy shutting off the hot water.

International Herald Tribune.

Away From Politics

· A jury has been seated in Miami for the trial of a man accused in the 1993 slaying of a German tourist. Leroy strongarm robbery of Barbara Meller-Jensen. Another panel will hear the case against a co-defendant, Anthony Williams, 20. Opening statements were scheduled for Monday. (AP)

· A DC-9 jettiner caught fire on takeoff in Atlanta, forcing all 60 people aboard to evacuate and injuring 7 people. ValueJet Airlines Flight 597 was carrying 55 passengers and 5 crew members when an engine caught fire as the jet began to tax down the runway. The pilot stopped the flight after a warming light indicated that the right engine was on fire. Three flight attendants and four passengers were hurt. One of the crew members had burns over about 30 percent of her body and was in stable condition, officials said.

(AP)

 A New York City police officer has resigned and two others have been suspended over a drunken spree in a Washington hotel, during which officers there for a May 15 ceremony to bonor colleagues killed in the line of duty groped women, set off fire alarms and ran naked in front of hotel guests. The three officers were the first to be disciplined over the incident. Investigators have interviewed hundreds of New York police officers who were in Washington for the ceremony.

• Several tornadoes struck the western Texas city of Pampa, damaging dozens of homes in a 45-hlock area in the city of 20,000, cutting electrical and telephone service, and injuring at least five people. A warehouse was destroyed and a tractor-trailer was overturned.

(AP)



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CUBAN EXILES MARCH — Protesters rallying outside the White House against U.S. policy to return refugees to Cuba.

Cuban Army's New Role: Farming

By Larry Rohter
New York Times Service

HAVANA - With Cuba in an economic and ideological crisis over the worldwide collapse of communism, the role and responsibilities of the Cuban armed forces have been expanding rapidly, while those of the Communist Party have been sharply declining.

Diplomats and economists here estimate that units of the army, which has traditionally been one of President Fidel Castro's principal pillars of support, are now producing and distributing between a quarter and a third of the country's food supply.

The military has also set up highly profitable tourism, construction and retailing companies of its own, and officers have been put in charge of many state enterprises in an effort to reduce corruption and

At the same time, more veterans of the Revolutionary Armed Forces with close oes to Raul Castro, the minister of defense and the president's younger brother, apparently are being moved into party posts. especially in the provinces.

The state news media have been filled with praise for Cuba's 180,000 soldiers as examples of revolutionary rectitude and competence.

This enhanced role for the military reflects a corresponding decline in the fortunes of the Cuban Communist Party, which has seen many traditional levers of control slip out of its

"The reality of Cuba in 1995 is that the military is one of the few, if not the only, institutions that really and truly work," a Latin American diplomat here said. "Revolutionary fervor has vanished, and with it the credihility of the party, leaving only

the armed forces to fill the vac-

The increased importance of the armed forces has also meant greater prominence for Raul Castro, who is also first vice president. The younger Castro, who is 63, is described by foreign diplomats and Cuban officials alike as fiercely loyal to his hrother but distressed by the country's mounting economic and political problems and somewhat willing to deviate from Marxist-Leninist ortho-

"His officers all have families," a diplomat here said, and they are experiencing the shortages of food, fuel and consumer oods that have afflicted the Cuban economy since the collapse of the Soviet bloc in 1989.

Said another diplomat, "He is aware of the situation on the ground in a way that Fidel is not and realizes that some changes have got to be made."

The army's higher profile over the last year can be traced to a widely quoted remark that Rail Castro made in July, just before 32,000 Cubans left the country on rafts, trying to reach the United States. "Beans are more important than cannon," he said in a speech that was regarded as acknowledging the state's need to adopt a more pragmatic approach.

Soon afterward, Cuba announced a new system of farmers' markets, with Raul Castro and other military officials reportedly taking a direct role in their organization. Cuban consumers and officials say soldiers delivered or sold more than three-quarters of the fruits and vegetables initially available at

But since the end of the Soviet Union and Cuba's loss of subsidies of up to \$5 billion a year, the production and distrihution of food have heen among Cuba's most severe problems and a source of popu-Our specific task is defense,

hut defense includes everything," Raul Castro said in an interview with the Communist Party newspaper Granma after the refugee crisis ended. "Right now it involves providing food for our people, which along with sugar production has been designated by our commander in chief as the main strategic According to diplomats, the

number of conscripts in special units called the Youth Labor

We Bitte harvest basic foods, has m-Q creased sharply as a result. To prevent theft, which has become more of a problem than ever, soldiers also guard food shipments from the countryside

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to the cities. In an interview in December. Carlos Lage, Cuba's top eco-nomic official, said the farmers' markets had heen strongly "pushed by Raul, but with the support of Fidel." He said the defense minister has "had a very important role in the experiences of the Revolutionary Armed Forces and in bringing that experience into the civilian

realm. Even before the farmers' markets were started, the Cuban military had moved into several other highly profitable business ventures. One is a construction company that has won lucrative contracts for hotels and beach resorts and is involved in several industrial and public utility projects.

The best known military enterprise is a large tourist agency known as Gaviota, or sea gull, which reportedly got its start managing recreation centers for Soviet troops stationed in

From that humble beginning over a decade ago, Gaviota is now involved in virtually every aspect of tourism in Cuba, including luxury hotels, hunting preserves, marinas, spas, bus tours, fishing excursions, a large taxicah fleet and airplane

To soak up the dollars entering the country, the military also operates a chain of department stores, called TRD Caribe, that sell expensive imported goods, mostly to foreign visitors. TRD stands for "tiendas de recaudacion de divisas," or "stores to collect foreign cur-

Rescue Efforts Halted In Russian Earthquake

The Associated Press MOSCOW - Rescuers stopped looking for bodies in the rubble of a remote oil town on Friday, nearly two weeks atter a major carthquake de-stroyed the Sakhalin Island community of Neftegorsk.

Authorities in Moscow revised the death toll in the quake, saying that 1,841 bodies had been recovered. An undetermined number of others died

Cyprus Discloses Role In U.S. Nuclear Sting

NICOSIA — The authorities in Cyprus said Friday that they had taken part in a sting operation by U.S. agents to seize two tons of zirconium, a metal used in nuclear reactors, that had originated in Ukraine.

In New York on Thursday, U.S. customs officers and federal agents arrested three Greeks on suspicion of dealing in the metal that was believed stolen from strategic reserves of the former Soviet Union. U.S. officials announced the discovery of five tons of

zirconium in a New York warehouse, calling it the largest haul of nuclear-related material in the United States, and an additional two tons in Cyprus. A U.S. Customs Service official said in New York that the

zirconium had come from Ukraine, He said undercover agents from the U.S. government had posed as representatives of the Iraqi government to negotiate with the three men

over a year.

U.S. officials did not implicate Baghdad in the affair.

Officials in Iraq were not available for comment on Friday. Baghdad-based diplomats were concerned that the Iraqi government would view the U.S. sting operation as an attempt to tarnish the image of the Iraqis and prolong UN sanctions imposed against Baghdad for its 1990 invasion of

A Cyprus government spokesman, Yiannakis Cassoulides. said in Nicosia that Cypriot customs officials had seized two tons of zirconium that had arrived on May 25 at Larnaca

used in nuclear reactors as a cladding for nuclear fuel. Jewelers also use it to make synthetic diamonds and its import into Cyprus is not illegal.

airport on a commercial flight from Amsterdam. Zirconium, a very strong, malleable silver-gray metal, is

Autopsy Photos Shock Simpson Jurors

LOS ANGELES - Ronald Lyle Goldman, whose death has loomed for months in the hackground of the murder trial of O.J. Simpson, has re-emerged in testimony and photographs as jurors recoiled at pictures of the face of his corpse.

The shock and horror of the autopsy photographs, which jurors at first had seemed to he adjusting to appeared to overwhelm several of them Thursday. After hreaking to allow one upset juror to leave the courtroom carrying a bandkerchief - and after expressing concern for the obviously distraught Goldmans - Superior Court Judge Lance A. Ito called off

the session almost two hours early. Testifying for the first time about Mr. Goldman's injuries, Dr. Lakshmanan Sathyavagiswaran told the jurors that the victim was stabbed and slashed to death and that all those wounds could have been caused by a single knife.

Two of the cuts, he added, appeared to have heen the result of Mr. Goldman's assailant drawing the knife across the victim's throat threateningly while holding him still — a hrutal and chilling scenario acted out in front of the jury.

"You can see this type of injury when somehody is immobilized," the coroner said, "and you are threatening to do bodily harm to them.' Although some of Mr. Goldman's wounds suggest that he put up a fight, the young man probably lost strength as cuts

to his throat, lung and elsewhere robbed

Sathyavagiswaran said. Eventually, Mr. they clutched as Dr. Sathyavagiswaran be-Goldman succumbed to the ferocious assault, slumping near a fence outside the condominium of Nicole Brown Simpson, the other victim and former wife of the

Later, the coroner added that the attacker delivered several sets of potenoally lethal blows, causing bleeding in various vital parts of Mr. Goldman's body. "Without medical treatment," the doc-

tor said, Mr. Goldman "would have died within five minutes." Earlier in the day, jurors had appeared to grow numb to the utany of autopsy

photographs and descriptions, listening carefully and attentively as Dr. Sathyavagiswaran testified about more injuries to Nicole Simpson. But when the coroner turned to the depiction of Mr. Goldman's fatal wounds.

the display of the photographs, some of which depict the victim's head and face, immediately stunned the panel. The testimony was interrupted briefly

when a 37-year-old woman, long considered one of the jury's more emotional members, signaled that she needed a break and was excused. After waiting for her for several minutes, Judge Ito eventually decided to halt the proceedings. The Goldmans were even more over-

come. Bracing for the photographs to be introduced, Mr. Goldman's father, sister and stepmother had pressed close together and joined hands. A member of the prosehim of blood pressure and vitality, Dr. cution team handed them tissues, which

When he described the wounds to Mr.

Goldman's neck, Fred Goldman, the victim's father, began to sob heavily. When the coroner said that Mr. Goldman might have been able to live had he gotten immediate medical care for his injuries, Fred Goldman dropped his chin to his chest, tears streaming openly but silently from his bowed head.

For his part, Mr. Simpson seemed far less disconcerted than when the testimony centered on the injuries to his former wife. Thursday afternoon, the defendant watched the coroner as be testified, in contrast to Mr. Simpson's refusal even to giance toward that side of the courtroom when the fatal hlows to Nicole Simpson ere described.

Mr. Simpson has pleaded not guilty to the June 12, 1994, slayings of his ex-wife and Mr. Goldman.

The panelists on hand for Thursday's session included the 12 jurors and two alternates left after this week's latest jury On Thursday, sources said the turmoil

that has surrounded the jury for months has at least temporarily subsided. One juror has been under investigation for possibly failing to disclose a past allegation of domestic abuse. But sources close

to the case said that while the juror had been accused of domestic violence, the allegation was raised in the course of his divorce and never was formally presented

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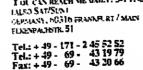
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Russia and Ukraine · Resolve Bitter Feud

Pact Divides Black Sea Fleet

By Steven Erlanger New York Times Service

MOSCOW — The leaders of Russia and Ukraine signed an agreement on Friday that should conclude their bitter dispute over the Black Sea Fleet, improving relations between the two most important countries of the former Soviet

It is a measure of how much the world has changed that the two presidents, Boris N. Yeltsin of Russia and Leonid D. Kuchma of Ukraine, had their meeting at an American-run hotel, the Radisson-Lazurnaya, in the Russian Black Sea resort of Sochi.

The issue of the Soviet Black Sea Fleet and its base in Sevastopol, Crimes, has done much to fan nationalist tensions between Moscow and Kiev since the Soviet Union collapsed in 1991. The fleet is both small and old, with the newest of the 635 vessels built 17 years ago. So the issue was always more pobtical than strategic, with Ukraine eager not to sacrifice its newly sovereign rights to a Russia that has historically pa-

tronized Kiev. For a time, vessels flew under the flags of both countries, but since Moscow paid the bills, commanders nearly always obeyed Moscow's orders, creating a dangerous series of muti-

nies and fistfights. The matter was complicated by the strange history of Crimea, a Russian resort and naval base that was handed to Ukraine as a meaningless ges-ture of friendship in 1954 by the Soviet leader Nikita S. Khru-shchev. The new border lost its meaninglessness after the breakup of the Soviet Union, and Russian nationalists regularly demand that Crimea be returned to Russia, along with

the fleet and the base. In the end, after numerous previous agreements fell apart, the two countries agreed on Friday to split the fleet in principle while Russia then "pur-chases" most of the Ukrainian share, ending up with 82 per-cent of the vessels.

Russia will continue to use Of Survival structure at Sevastopol, paying rent to Ukraine, mostly in the form of energy supplies and debt framerous flor deserve will also it shill it use who parts of the large base in Sevas

topol for its small fleet, which has become its navy.

Exactly where Ukraine's O'Grady parachuted to the ground with sophisticated milimain base will be is yet to be aide, Yuri Baturin, said it had been decided but left out of the

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final document "It would have been unethical if sovereign Ukraine had the whereabouts of its navy headquarters determined in a bilateral document," Mr. Baturin said, stressing that the decision, however, had been made bilat-

A happy Mr. Yeltsin said: "Today, we, Leonid Kuchma and I and the two delegations, finally put a period on this question once and for all." He said the deal opens the possibil-

said the deal opens the possibility for a larger Russian-Ukrainian treaty of friendship and cooperation, long delayed.

Mr. Kuchma, more careful, added: "Although some detailed issues remain, I consider this question solved in general."

The two presidents then ex-

changed a traditional round of hugs and three kisses, and made the rather dubious promise to meet each other monthly, while their prime ministers also meet monthly. Their July meeting is scheduled to be in Crimea, Mr. Kuchma said.

Mr. Kuchma, an ethnic Russian from eastern Ukraine, defeated Ukraine's first president, Leonid D. Kravchuk, in a bitter election campaign that centered on economics and relations with Russia. Despite the worries of Ukrainian nationalists, Mr. Kuchma has strengthened himself hy standing up for Ukrainian sovereignty. Mr. Kuchma has also intro-

duced economic change and budget discipline. He bas pushed through the ratification of a key arms control treaty, gotten Moscow to reschedule much of Ukraine's \$3 billion

Racism Suspected In Austria Bombs

VIENNA - Letter-bomb attacks, thought to be by Austrian racists, wounded two women Finday and targeted a popular mixed-race presenter working for German television.

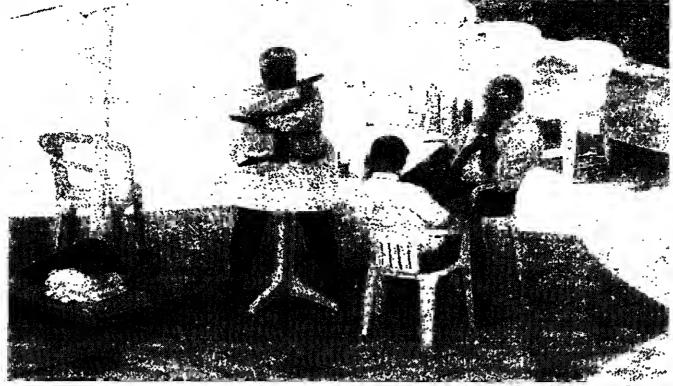
One bomb exploded in an office in Linz that arranges marriages and partnerships boredom and keep his hopes up. He was taught "to think positive things," said Colonel marriages and partnerships mainly for foreigners living in Austria. The police said one of the women was taken to a hospital with serious hand wounds.

He learned his lessons well The other suffered from shock. and then executed his lessons Another letter bomb was sent when it mattered most," said from Austria to an Austrian-Admiral William Owens, depuborn television talk show modty chairman of the Joint Chiefs etator in Munich, Arabella

debt for gas supplies, and, most importantly, perhaps, has forced his legislature to grant him broader powers to appoint the government, issue decrees and pursue economic change.

Recently, he used the example of Russia's crushing of its secessionist region of Chechnya to disband a secessionist president and legislature in Crimea. While controversial, Mr. Kuchma's strong action to keep centrai Ukrainian sovereignty over Crimea is regarded as a neces-sary backdrop to his ability to sign the agreement Friday with Russia on the Black Sea Fleet.

For Russia, the gains are also considerable. Moscow intends to reassert its power in the Black Sea as a counterpoint to Turkey, which has had ambitions in Central Asia.



Boris Yeltsin, left, meeting with Leonid Kuchma, center, and Prime Minister Viktor Chernomyrdin of Russia in Sochi.

Serbs, Breaking Pledge, Hijack UN Food Convoy

By John Pomfret Washington Post Service

SARAJEVO, Bosnia-Herzegovina — Serbian forces confiscated a convoy of United Nations aid bound for the isolated Muslim enclave of Zepa on Friday, a day after Serb leaders promised to let UN

aid move along their roads, UN officials said. The convoy, carrying about 60 tons of food, disappeared Friday near the Serb-beld town of Rogatica and its drivers, some of them Russian, lost contact with the UN, a senior UN official said. The official said the Scrbs took the convoy because they claimed ammunition bad been found in a sack of flour although the convoy had been checked before it left UN warehouses in Belgrade.

"We don't know where it is," the official said. The senior UN official said the Serb move to grab the convoy indicated that they could not be trusted to keep their promise that UN aid could move along their roads to isolated Muslim areas, such as Zepa, Sarajevo, Srebrenica, Gorazde and Bihac.

By Dana Priest

Halloging Bost Service

WASHINGTON — After his F-16 was hit by a Bosman

Serb missile, Captain Scott F.

special "evasion chart" in his

Made of waterproof, tear-re-sistant lightweight material, the

3-foot-by-5-foot (1-meter-by

1.5-meter) map of northwestern Bosnia doubled as a survivalist

Typed on the margins was

advice that might have belped

keep Captain O'Grady alive

cape training that had prepared Captain O'Grady, the evasion

chart was itself also a piece of

It reminded him that "other

uses for this map" include: to catch rain for drinking water,

for shade from wind and rain,

to haul water or food, to line a

hole or depression for storage,

ken wrist, and to plng a chest

commander of the Joint Ser-

vices Survival, Evasion, Rescue

and Escape Agency, was the

will to survive.
"It becomes a mind game,"

"You're only limited hy your imagination."

mountains of northeast Washington state, near his home in

be singed first to remove bacte-

ria), to bounce the sun's rays off

a mirror and onto a target and

to make tools from branches

He learned how to relieve

and shelter from earth.

survival equipment.

vest pocket.

how-to manual.

"Maybe it's a good thing," the official said, "because this shows what it means to make agreements with the Serbs. The clear-sighted people see what needs to be done in Bosnia. Maybe we'll muddle a little bit more and keep the peace if that's what we call it, but then an explosion will come.

The Zepa convoy was an important test case of the Serb commitment made on Thursday in Pale. Senior UN officials from Zagreb went to the Serb stronghold 16 kilometers (10 miles) east of Sarajevo to negotiate with the Serbs despite the fact that the Serbs still bold 145 UN soldiers bostage. The UN commander in Bosnia, Lieutenant General Rupert Smith, has said be would not negotiate until all the bostages are released. His superiors in Zagreb, specifically the top UN diplomat, Yasushi Akashi, and General Bertrand Janvier, broke ranks with him and their envoys came bome Thursday with a deal.

By agreeing to open their roads to UN aid, specifically into Sarajevo, the Serbs acted to head off whatever international pressure remained to forcibly open roads into the Bosnian capital and to other isolated Muslim communities in Bosnia. More than 250,000 people live in Sarajevo, 110,000 in the three besieged Muslim enclaves in eastern Bosnia, and 180,000 in Bihac, northwestern Bosnia.

In neighboring Croatia, Serh warplanes bombed Croatian forces near the hreakaway Serhs' capital, Knin. Croatia's president, Franjo Tudjman, responded by threatening widespread attacks against the Serbs if they did not rejoin Croama voluntarily

The air attack, which originated from an airfield that was bombed without effect hy NATO planes last November, marked a significant escalation in tensions between Croatian forces, who have taken high ground in Serb-held territory along the Bosnian border, and the Croatian Serbs,

■ White House Spurns Bosnia on Embargo

Bosnia's prime minister, Haris Silajdzic, urged the United States on Friday to end the Bosnian arms embargo, calling it "an instrument of genocide," but

"If friends supply us with

arms, we will solve the problem

In EU's Deadlock, A North-South Rift **Over Foreign Aid**

By Tom Buerkle

BRUSSELS - The European Union has hit a deadlock in defining its foreign-aid priorities because of divergent strate-gic interests and a shortage of money to spread around, officials said Friday.

Despite months of negotia-

tions, the permanent representatives of the 15 EU members failed to agree this week over how to apportion financial assistance to the countries of Eastern Europe, the chief objective for Germany, and to the Mediterranean region and poor countries of Africa, the Caribbean and the Pacific, which

France is championing.

The blockage highlighted a hroad rift hetween northern and southern EU members that is making it difficult for Europe to develop a common foreign and security policy.

The subject was on the agenda when President Jacques Chirac entertained fellow leaders at the Elysée Palace on Friday, but EU officials saw little prospect of a breakthrough.
That raises the prospect of a funding clash at the EU meeting June 26 and 27 in Cannes. France has promised to hlock a deal at the meeting for the East and Mediterranean unless its partners put up more cash for the so-called ACP developing countries, including many former French colonies.

At the beart of the problem are concerns in France, Spain, Italy and other southern members that the Union, under strong German prodding, is devoting too much attention and money to prospective members in Eastern Europe,

Conscious of those concerns, Chancellor Helmut Kobl agreed at the EU meeting in Essen, Germany, last December that the Union must balance its eastward thrust with economies of North Africa and the Middle East. The European Commission this spring pro-posed extending 6.69 billion European currency units of aid billion) to the Eastern countries from 1995 to 1999. and 5.16 billion Ecus to the Mediterranean region.

That plan has been attacked from virtually all sides as too amhitious. Given other aid commitments to the former So-viet Union, South Africa and elsewhere, the Union would be locking in most of its 29 hillion Ecu aid hudget for the next five years, giving it no way to re-spond to geopolitical shifts. One French official said it

would be absurd to program so much aid so far in advance. France's response has been to scrap the five-year plan and

propose spending a minimum of 1.235 billion Ecus on the East and 700 million Ecus on the Mediterranean next year, with increases to follow. Germany has opposed the

Mediterranean figure, as well as France's suggestion that aid to the South should reach parity with the East by 1999. The dif-ference is clear, one German official said. The Eastern countries will become EU members and must be helped. The Mediterranean, while important, will never join the club.

Spain protests the whole idea, bowever, saying anything less than a major, multiyear aid pledge will undermine the EU-Mediterranean conference in Barcelona in November.

Even if the Union can strike an East-South balance, member states remain far apart on aid to the ACP countries. France is demanding 13.3 billion Ecus over five years, which would keep spending steady after in-flation. But German insistence on a nominal freeze of its contribution and Britain's demand for a 30 percent cut leave the EU about 1 billion Ecus sbort.

■ Bildt to Succeed Owen

European Union leaders appointed Carl Bildt, 45, a former Swedish prime minister, as the EU's new Yugoslavia peace mediator Friday, succeeding Lord Owen, Reuters reported from Paris, quoting President Jacques Chirac of France.

The leaders of the 15-nation EU made the decision at a meeting in Paris where they discussed peace efforts on former Yugoslavia and other topics.

As the EU's new mediator, Mr. Bildt is expected to be granted greater powers than

POLICY: House Vote on Arms Embargo a 'No-Confidence' Sign on Bosnia greater attention to the fragile economies of North Africa and For Pilot, ourselves," Mr. Siladzic said. Continued from Page 1 would lead to the dispatch of Security and Cooperation in The ABCs The House resolution is like-25,000 U.S. troops to extract Europe. He rejected adminis-

istration's case for rejecting a unilateral end of the embargo. In an impassioned speech, Mr. Hamilton said such a move would put "Americans right in the middle of the hottest war in the world today - a very, very unwise move.

Reflecting administration thinking he said that the lifting of the arms embargo would be opposed by America's allies, particularly Britain and France, and would lead automatically the peacekeeping troops, with tration arguments that such an America assuming responsibilaction would result in an usity for arming the Bosnian Musstoppable Serbian offensive. action would result in an unlims. This would "Americanize the war," he argued.

This reasoning has now been rejected by a clear majority of congressmen, who argue that there is no peace left to keep in Bosnia, and that the withdrawal of the UN force can hardly make the situation worse.

Mr. Siladzic also argued the case for lifting the arms embar-

keeping mandate. That in turn Congressional Commission on

DANCE: Can't Stomach Russians

cach 5,000 residents by some estimates — but most of them are not professionals and perform only at weddings or small

during his six days on the ground in Bosnian Serbian ter-One professional Egyptian ritory, notably a list of local belly dancer, ber eyes ringed with black swaths of mascara, edible plants: wild onions, common dandelions, licorice root, ber fingers covered with gold nettle. It included cooking and rings and ber lips smothered in do-it-yourself instructions. For dull, maroon lipstick, sat smoknettle, for example, "Eat the young leaves after boiling. ing a cigarette sbortly before heading into a ballroom to per-Cooking neutralizes the plant form at a wedding. The dancer, who refused to give her real toxins. Fibrous bark of the mature plants can be twisted and name, said she had an average braided into a strong twine." of five shows an evening before the arrival of the Russians. She Basic to the air force's Survival, Evasion, Rescue, and Esnow has one or two.

"They do things we Egyptian dancers would never do, like perform in a bikini," she said. They twist and move in vulgar ways and call it belly dancing, degrading our art. And the owners of the clubs like them because they can introduce them to the customers."

The Russians pour just as manding. much invective on the Egyp-

to wrap clothing, as an extra layer of clothes, to splint a bro-Yelena Ramazonova, a 27-But perhaps the most impor-tant thing he had, said Lieuten-ant Colonel John Chapman,

of the Sbeherazade Hotel at 4 A.M. on a recent day, after ber performance in the King's Night Club. Miss Ramazonova. who dances under the name Lena, is one of the best Russian belly dancers in Cairo. She performs each night with an Egyp-tian singer, Kamal Shahawi, and his 13-piece band.

"The Egyptian belly dancers are beavier, and at first I tried to gain weight," sbe said. "But a dancer has to be lithe and agile. The Egyptians are often jealous of us because we have studied dance - we are really dancers." Mr. Shahawi added that top Egyptian belly dancers, who can earn up to \$5,000 for a performance, often expect to oversbadow both the band and

the singer. Ali Youssef, one of the managers of the Lotus night club. just off Pyramids Road, said many managers also liked the Russians because "they come on time and are not too de-

"The Egyptian belly dancers cause us problems," be said. "When the Saudis throw money

year-old dancer from Siberia at the Egyptians they don't want to leave the stage. We have to drag them off."

Continued from Page 1

MIDEAST: Differences Settled

said Colonel Chapman. those tracks, having made peace with Israel 18 years ago, American officials said the clouds over the first and most impor-tant of Arab-Israeli relationships had cast a shadow over the entire process.

As part of his training in survival, Captain O'Grady had been left cold and hungry in the "Today's meeting reflects a rejuvenation of the Israeli-Spokane. During the three-week course, be learned to eat black ants and grasshoppers (to Egyptian partnership, a partnership that is so vital in the development of peace, coopera-tion and stability here in the Middle East." Mr. Christopher said at the joint news confer-A senior administration offi-

cial said the reconciliation was especially important in advance

The most sensitive of Mr. Christopher's meetings in his four-day mission will be in Damascus on Saturday with President Hafez Assad of Syria. which alone among Israel's ma-jor Arah neighbors has yet to reach an agreement with Israel.

Last month, the United States hrokered an agreement between Syria and Israel to open talks between senior military experts in Washington by the end of this month, and Mr. Christopher is flying to Damascus on Saturday to discuss de-tails of the meetings and to bolster Mr. Assad's resolve.

Mr. Christopher and his aides have cautioned against huilding excessive expectations of Mr. Christopher's meetings over the next two days with the leaders of Syria, Jordan and the Palestinians. "One thing we end Israel's 28-year occupation have learned in the Middle East of the Golan Heights, a strateremove pretexts" for stalling, the official said. Syrians insist on recovering.

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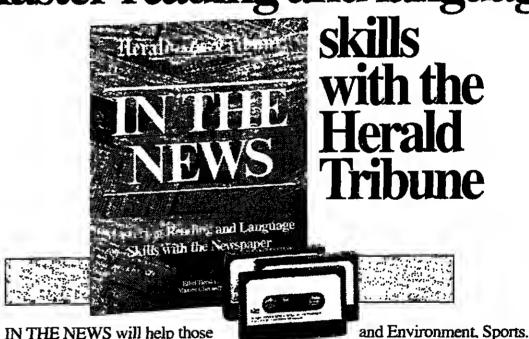
ly to increase the pressure on

Bob Dole, the Senate majority

leader, to push ahead with his

own repeatedly delayed bill on

lifting the arms embargo.



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Solidarity Is Key on Bosnia

over Bosnian Serb territory provides a criticize it. In Washington, there is some welcome demonstration of American and NATO military prowess. And of more than prowess. Discussion of military options in Bosnia has been much intensified by the recent sequence of Serb bombardments, UN-NATO reprisal, Serb hostage-taking and UN-NATO irresolution. It is a U.S. pledge to help NATO withdraw. Thus useful moment for the possessors as well as the possible targets of NATO's arms to be reminded that power has its uses. There can be no euphoria, no recklessness. But there can be an appreciation of the military capacities in NATO's hands and of the readiness of military people to handle the risks that go with their territory.

The Europeans in NATO, with some of their peacekeepers still the Bosnian Serbs' st hostages and the others still at risk, have yet to answer what is for them the essential question of whether to protect their forces or evacuate them. Any sort of significant escalation does not seem to be a political option for them at all. But the Europeans have decided to send a 10,000-person rapid-reaction force to fulfill whatever policy they finally embrace. The European indecision is notable, but

The U.S. Marines' daring, casualty- Americans, with none of their own forces free rescue of the American pilot downed at risk on the ground, are poorly placed to support for unilaterally lifting the UN arms embargo in order to let the Muslim-led Bosnian government bener defend itself. It is an appealing idea whose downside is that it would almost certainly push the Europeans out of Bosnia and trigger the would 25,000 or so Americans find themselves in a possible combat zone on the ground in Bosnia - precisely the posture that alarms Americans across the board.

The best remaining course is to consult and cooperate with America's NATO allies: in working out the choice of protecong the peacekeepers or withdrawing them, in making decisions (lifting the arms embargo) that bear on military action in Bosnia and in ensuring that NATO military operations are coordinated by NATO, not just by the United Nations. The negotiations with Serbia that are being conducted by the United States, Russia, Britain. France and Germany may or may not bring acceptable results. At this late hour, alliance solidarity should be the bedrock of American policy:
-THE WASHINGTON POST.

Terror Bill Endangers Rights

Senate's hasty and ill-considered action citizens at the same time. This is the kind has come at a price. Steps designed to of surveillance expansion Congress bas protect Americans' physical safety will in been reluctant to approve in the past. many cases erode their liberties. The legislation, a grab-bag of bills pro-

posed by the Clinton administration and members of Congress, contains some sound provisions, it provides more FBI personoel and resources to combat terrorism, increased penalties for dealing in explosives used to commit crimes, and neasures to make bombs easier to trace. But the temptation was too strong, both

in the White House and the Senate, to load the bill with tougher-sounding, more crowd-pleasing provisions. These include wide-ranging surveillance power for law subject only to review in a special secret enforcement agencies, crackdowns on susetween military forces and police.

۰P

President Bill Clinton committed the worst cave-in. After resisting Republican attempts to smuggle into the terrorism bill a pet proposal to limit death-row appeals in federal courts, he surrendered oo a television talk show and embraced this socalled "habeas corpus reform.

That left Senator Joseph Biden of that this provision was not germane to small arms ammunition in the bill. terrorism. The only possible connection is nied appeal rights to condemned inmates the round of applause they gave them-

of state prisons as well as federal. The terror bill's provision for a "rov-

The Senate is congratulating itself for passing the Comprehensive Terrorism Protection Act of 1995 just seven weeks after the Oklahoma City bombing. But the

There is a danger of further privacy erosion in the bill's eased standards for inspecting bank and credit records. An amendment to the century-old Posse Comitatus Act, which prohibits military involvement in civilian law enforcement, would allow military assistance to police where chemical and biological weapons are involved, an unnecessary breach of the line.

Other sections allow the president to compile a list of designated terrorist organizations and permit easy deportation of illegal aliens suspected of terrorism. court where the accused alien is denied pected aliens and more blurring of the line access to the evidence on which the deportation is based.

The Senate wisely agreed to require explosives makers to tag their products so that agents digging through the World Trade Center or the federal building in Oklahoma City could more easily trace the bomb. But this useful provision was no profile in congressional courage. Senators bowed to the National Rifle Association Delaware to explain to a heedless Seoate and refused to include gunpowder for

The Senate's 91-to-8 vote shows again that the death penalty is now available for how tempting it is to disregard American federal crimes like the Oklahoma City liberties when people feel threatened, and bombing. Senators paid no attention when how easily and swiftly Congress yields to informed that the measure needlessly de- that temptation. Senators do not deserve

selves this week. -THE NEW YORK TIMES.

A Clinton Plan on Welfare?

during the 1992 campaign to 'end welfare as we know it," he did not foresee the Republican takeover of Congress or how the Republicans would try to keep that particular pledge. Their proposals would dismantle the Aid to Families with Dependent Children program and end wel-fare's federal "entitlemeot" status. That means that poor people and state gov-ernments could no longer count on certain forms of automatic federal aid during times of recession. It's a dangerous idea - to poor people and to the states. But having helped start this debate, what is President Clinton doing to shift its di-

On Tuesday, Mr. Clinton, in a speech to the National Governors' Association, laid out the basic objections to the Republican plans quite effectively. The Republican bills, he said, do not include the financing for child care that would be needed to move welfare recipients into jobs -- the goal everyone in this debate professes to believe in.

The Republicans, he said, also fail to provide financing for the jobs themselves and create strong incentives for states simply to cut people off welfare.

Mr. Clinton noted that the frozen-formula block grant that the Republicans are proposing would give states no protection against economic downtums and could barm those states that are experiencing high levels of population growth. Finally, he said that neither the House nor the Senate Republican proposals require

When President Bill Clinton promised states to maintain their eurrent levels of funding for welfare, even though it was those very levels that qualified them for their current allotment of federal funding

in the first place. But once again, Mr. Clinton refused to say what he would do. This has become a bad habit and a reckless one. Would he, or would be not, veto a welfare bill if the Republicans fail to meet these objections? Would be or would he not send up amend-ments to achieve his ends? Would be or would he oot send up a welfare reform proposal of his own?

The problem with his silence is that if the welfare debate stays on its current course, the president will face a terrible choice: to sign a bill he knows is wrong, or to veto it. And it's not as if the Republicans doo't already know what the president is against. It's no secret.

Mr. Clinton was given an opening to solve this problem on Thursday by Senators Daschle, Mikulski and Breaux, three Democrats. They introduced a welfare bill that is right in its central features: It contains work requirements, but also the work and child-care programs needed to make them real, and it broadly maintains the current system's fiscal commitment to

The sponsors have to be a lot elearer than they have been on what the bill would cost and how they would propose paying for it. But it cries out for the president's response: Is this what he's for? If not this, what?

- THE WASHINGTON POST.



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WASHINGTON — Incompetent, eor-rupt military rule is strangling Nigeria, West Africa's most populous and powerful nation. Only a strong international crusade, as strong and as punitive as the anti-apartheid campaign that helped crack the white tyranny in South Africa, can save the West African giant from a bloody new

These grim words are uttered over breakfast by one of the most ungrim men I know: the usually ebullient, unfailingly witty Bolaji Akinyemi, once foreign minister of a rich and rambunchous Nigeria. Mr. Akinyemi lives now in the danger and loneliness of exile abroad, a condition that

dampens any spirit, however free. At one level, Mr. Akinyemi's fate lies in mi, an academic by profession, himself served in an earlier military government in Lagos, hoping to temper its excesses. He failed and quit in 1987. He fled his home and his country last August, hours before the police came to arrest him.

But a new line is being crossed as Africans and African Americans recoil in horror at what is happening in Nigeria. They begin to make the same points that Mr. Akinyemi reluctantly makes: Blacks are abusing blacks as thoroughly and savBy Jim Hoagland

whites ever did in theirs. The Nigerian oppressors deserve the same international isolation and condemnation that the white Boers received.

'Africans doo't take on Africans publicly." Mr. Akinyemi acknowledges. Why give comfort and ammunition to ex-colonialists and racists of all stripes dving to 'We told you so'"? The continent tolerated the outrages of Idi Amin and others in long and shameful silence.

But the liberation of South Africa ended the continent's version of the Cold War. The formation of a multiracial government under President Nelson Mandela means familiar territory: African polities are that African nations, and their allies abroad, volatile and frequently brutal. Mr. Akinye-oo longer have to stand united and mute about Africa's own enormous problems. South Africa must now help democracy

sink roots in the rest of Africa. 'Mandela is the key," Mr. Akinyemi said. "He has the international moral authority to speak up about Nigeria. We need

a Mandela Doctrine.

This would update and rotate the Nkrumah Doctrine. Ghana's Kwame Nammah said in 1956 that Africa would not be free until South Africa was finally free.

lead an international campaign of pressure and persuasion.

Mr. Mandela may listen now. He sent Archbishop Desmond Tutu to Lagos a few weeks ago to ask the military junta headed by General Sani Abacha to release from jail Moshood K.O. Abioloa, who won Nigeria's presidential election on June 12, 1993. Bishop Tutu left without success.

The military has ruled Nigeria for 25 of its 35 years of independence. The generals simply tore up the 1993 election results. General Abaeha's regime is waging a scorched-earth war against Ogoni tribesmen, who asked that a small share of the oil revenues taken from their oil-producing Niger River Delta territory be spent on clean drinking water, schools and roads for

Having shattered Nigeria's complex federal constitutional balances and the civil peace, the military leaders have made Nigeria an important relay point in drug trafficking that starts in the Middle East.

Abacha and Company are, in short, a thoroughly rotten lot. They more than deserve the limited sanctions adopted by the United States, the European Union and free until South Africa was finally free. Japan: a ban on most official visits and restrictions on military and economic aid to agely in his country as South Africa's will not be free until Africa is free from Nigeria. Mr. Akinyemi was in Washington

military rule, says Mr. Akinyemi, who is to seek support for tougher sanctions and to writing to President Mandela to ask him to applaud the work of TransAfrica, the African-American lobbying organization, headed by Randall Robinson, that fought tenaciously against apartheid.

More recently, Mr. Robinson helped

ressure the Clinton administration into deposing the Haitian junta. He now leads daily picketing at the Nigerian Embassy and is organizing petitions and media ads

denouncing Nigeria's rulers.
'TransAfrica has broken ranks, showing that blacks are now able to criticize a black regime," Mr. Akinyemi said. "African Americans understand they must speak out against the unacceptable face of black dic-

Mr. Akinyemi wants the United States and others to investigate the military's bank accounts abroad, to stop importing Nigerian oil and to use international meetings like the Commonwealth gathering in New Zealand in November to flay the regime.

Hardly the agenda I would have imagined this fun-loving professor championing even a few years ago. But Nigeria has ceased to be fun for anyone, least of all its persecuted citizenry. The military regune is metastasizing into a cancer on the body of Africa and on the conscience of the world. At least this time there is no color bar against saying just that.

ngton Post Writers Group.

In Bosnia, American Retaliation Is the Best Policy for Peace

By Jeane Kirkpatrick

WASHINGTON — It may be that the NATO ministers meeting in Europe this weekend will change the rules for United Nations operations in former Yugoslavia. But until now good men of various nationalities have been sacrificed to the mulolateral fantasy that aggression can be deterred while contained by barely armed peacekeepers operating under the strangest rules of engagement ever applied in a war.

Sent by their governments to the killing fields of Bosnia, young men confront mortars, missiles and snipers under instructions to draw their weapons only with specific authorization, to fire only after a warning has been given, only in self-defense and only as many times as absolutely neeessary to protect one's life.

UN forces operating in former Yugoslavia have been rendered nearly helpless by the UN rules of engagement. Forbidden to use force to do their job in this wartorn area, these soldiers have stood by while Bosnia's towns were reduced to rubble, while civilian populations were shelled and starved, while convoys barring food to starving civilians were blocked, while promises were broken, weapons stolen, massacres carried out.

Under UN rules of engagement, peacekeepers have stood by while Security Council res-olutions were violated and the violations ignored. They have stood by while Serbian forces seized ever larger portions of Bosnia, while the secretary-general, his representatives and diverse other dignitaries affirmed again and again their neutrality as if neutrality in the face of aggression were a virtue. It is not.

Treaty Organization operations titudes of President Bill Clinton over this deliberate targeting of an bian forces to shoot down an American F-16 and its pilot last It was similar rules of engage—week. Fortunately the pilot was after the F-16 was shot down the ment—accepted by the U.S. saved. From this episode we can U.S. government neither retalitor fear American displeasure.

that permitted Bosnian Ser-an forces to shoot down an the limits of his responsibility.

It is significant that in the days government for North Atlantic learn a good deal about the at-

unprotected U.S. plane on a routine, nonviolent mission. The ad-- least of all the Serbs - reason Such behavior was probably to

KEENT

tion that permitted the installa-tion of the SAM missiles within an area parrolled by American planes. It should probably have been expected as well from an administration that sends American planes to patrol an area defended by SAM missiles -- and sends those planes unprotected.

It was not to be expected that such an administration would strike back. The Clinton administration — like the Carter administration before it -- often sees U.S. strength as a provocation and tries not to be assertive. Often it is ready to give scoundrels the benefit of the doubt.

It is easy enough to guess how Ronald Reagan would have reacted in such a situation. He would . not have accepted rules of engagement that exposed U.S. airmen to unnecessary dangers. He would have used all available protection for all personnel on any mission. When a U.S. plane was attacked, he retaliated swiftly, fiercely and certainly, never doubting his right or duty to do so.

And he would never have deployed U.S. forces under UN rules of engagement. Mr. Reagan would not delegate key decisions concerning the use of force to a supranational group figure such as the UN secretary-general.

Mr. Reagan did not shoot from the hip, but he believed in a disproportionate response to an attack, the kind of disproportionate response that would discourage future attack, build credibility and therefore eliminate the necessity of future use of force.

Mr. Clinton has promised NA-TO pilots the full available protection on future forays. The next appropriate step would be to remove Serbian missile sites that is, retaliate. It would be good ministration has still given no one for his political future and world peace if Mr. Clinton would watch a few John Wayne movies.

O Los Angeles Times Syndicate.

U.S. Visit Fits the Realities of Taiwan

By Michael Y.M. Kau

AIPEI — Given the delicate political balance between the United States. China and Taiwan since 1950, the concerns surrounding the visit by President Lee Teng-hui to the United States are perfectly understandable. But fears that U.S.-China relations will be wrecked, or contacts between Taipei and Beijing disrupted, are misplaced.

In granting permission for Mr. Lee to give a lecture at his alma mater. Cornell University, the State Department and the White House stressed the 'private' and "unofficial" nature of the trip, which will in no way change established American policy toward Taiwan.

This policy was laid down in the Taiwan Relations ct of 1979 and the three U.S.-China communiques of 1972, 1979 and 1982.

It was deliberately arranged that Mr. Lee would not raise political sensitivities by going to Washington or meet any senior administration officials. As a maner of couriesy, he will receive some VIP treatment and necessary security protection while in the United States. Congressional leaders may try to meet with him. Both Washington and Taipei, however, are commined to making the event as low-key as possible.

Beijing's vehement protests over Mr. Lee's visit are predictable. China has recalled visiting delegations and suspended high-level dialogues that were scheduled with the United States. The crucial question is: What else would or could it do? Would expect to win national elections without showing China be prepared to push its anger to the extreme of rupturing valuable political and economic ties with respect and dignity to which Taiwan's voters believe the United States?

Beijing knows very well that the viability of its international environment and U.S. cooperation. United States and has a surplus of \$20 billion in its favor. China also benefits from American investment and technology transfers, on which its modemization depends.

As a result. Beijing has often protested loudly but taken little real retaliatory action in the past. Its ministration to sell 150 F-16 fighters to Taiwan in 1992 is a case in point. In the post-Mao era, pragmatism and reason have invariably prevailed in China's conduct of foreign relations, despite some

conspicuous gestures of protest. Beijing is unlikely to act recklessly against Taiwan over the issue of Mr. Lee's visit to the United Taiwan. He contributed this comment to the In-States. In the last seven years of Mr. Lee's lead- ternational Herald Tribune.

ership. Taiwan's trade with the Chinese mainland expanded fast, reaching \$16 billion in 1994. Cumulative investment from Taiwan is estimated at somewhere between \$15 billion and \$20 billion.

About 2.5 million Taiwanese tourists a year are now traveling to the Chinese mainland, providing a significant addition to China's hard currency earn-

Despite beated controversy before Mr. Lee set off on his trip, Beijing's high-level delegation, headed by Tang Shubei, vice chairman of the Association for Relations Across the Taiwan Straits, still showed up as scheduled in Taipei last month to meet with its counterpart body with lots of smiles and toasts. They also agreed to hold a second top-level policy di-

While pushing for his U.S. visit, Mr. Lee is equally committed to engaging Beijing economically and politically to maintain a stable and positive course for continued interaction.

For years, the 21 million people on Taiwan have been gravely frustrated over the island's international isolation and critical of the government's inability to elevate Taiwan's visibility in the world. Mr. Lee's U.S. visit is thus viewed in Taiwan as a great feat of morale-boosting. Highly contested parliamentary elections are

scheduled for December, while direct presidential elections - for the first time in Taiwan's political history - are set for March. No parties or leaders can they are entitled.

To maintain his leadership credentials as a canreform and opening policy requires a peaceful didate for the popularly elected presidency. Mr. Lee will have to continue to advance his personal diplo-China benefits greatly from two-way trade with the macy by visiting various pans of the world and pressing hard for Taiwan's admission to the United Nations. He has shown that he knows how to maintain a proper balance between action and restraint, and between vision and pragmatism.

His trip to America simply reflects the political realities already in existence in and around Taiwan. limited response to the decision by the Bush ad- It is not designed as a reckless adventure to destroy peace and stability in the Asia-Pacific region. There is no reason for the world to be alarmed.

The writer, a professor of political science of Brown University, is currently a senior fellow at the Center for International and Security Studies in

And the NRA, Mr. Dole?

NEW YORK — However human dignity and decency. It is crossed every time sexual viator Bob Dole has clambered aboard a legitimate issue.

In a speech delivered Wednesday in Los Angeles, Mr.
Dole said, "Our music, movies, television and advertising reg-ularly push the limits of decasual sex."

This can be confirmed by turning on any television. "A line has been crossed."

olence is given a catchy tune. When teen suicide is set to an

Good issue. Good speech, But if Mr. Dole wants to do cency, bombarding our children something concrete, he'll re-with destructive messages of nounce his support for the NRA. casual violence and even more He'll recognize that a loaded gun is more of a threat to a child than a filthy lyric.

-Bob Herbert, writing in he said, "not just of taste, but of The New York Times.

1895: Doctors Blamed

BERLIN — The terrible discloaures made respecting the treat-ment of patients in the Monastery of Mariaberg, and the judgment of the Court at Aix-la-Chapelle delivered yesterday [June 8], wholly engross public attention. The medical specialists, who described the state of the monastery as filling them with disgust and abhorrence, cast the strongest blame on the two doctors who undertook the daily supervision of 600 patients, but were only able to

visit for an hour and a half daily. 1920: Operatic Theft

NEW YORK — While the family jewels valued at nearly \$500,000. ples," Suzuki said.

Mrs. Caruso was in the sewingroom when she heard a step overhead, which she thought was that of a servant until the alarms sounded. She ran to the hallway and screamed just in time to see the burglar vanishing out of the

SAN FRANCISCO - Kantero

specially convoked session of the Imperial Diet today [June 9] that the "enemy's boastful talk of unconditional surrender of Japan means nothing more but outright death of all the one hundred million people in this country." "We have no alternative but to fight against and servants were screaming, burglar alarms were ringing and a chauffeur was shooting, a burglar who had walked calmly into the home of Mr. Enrico Caruso at Taerhammton at 10:30 last evening for wholesale and permanent enclavement of the East Asiatic Peolots Rai

Vid

Willey or

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

front door.

1945: No Surrender

Suzuki, Japanese Premier, told a

MING E delivery

I-BIN Herald

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Beijing Videotapes Dissident to Deny He's Fasting in Cell

BEUING - China on Friday made public a videotape of Wang Dan, a dissident, in an effort to deny reports that he was refusing food while in cus-

The tape appeared to represent an attempt by the govern-ment to control political damage arising from the detention or harassment of dissidents in recent weeks. The tape was sold to Western news agencies for

\$300. Mr. Wang had been prominent in the six weeks of studentled anti-government demonstrations, centered on Tiananmen Square, that the army crushed on June 3 and 4, 1989. He served four years in prison for his involvement.

The three-minute narrated. videotape, made in a detention center under the Beijing Reform-Through-Labor Department, said Mr. Wang had refused meals for a little more

It was sold by the Intercontinental information Center, a Beijing communications firm responsible to the State Counobtained by "an acquaintance"

and that the Public Security Ministry had approved its re-

(عدا منالاص

An official at the bureau which runs the city's prisons, said it did not give telephone interviews and declined to confirm whether the tape was au-thentic or authorized.

The tape's narrator said Mr. Wang was legally detained on May 2I on suspicion of "disturbing the social order" before the sixth anniversary of the Tiananmen crackdown.

He said Mr. Wang began a hunger strike on his second day in custody, refusing all food but milk, but began eating again on the fourth day. The tape showed jail records

of meals purportedly eaten by Mr. Wang and images of him sitting in an armchair beside a

In a brief interview, Mr. Wang described one day's hunch as "the same as yesterday's" and said it included "everything: meat with eggs and tree fungus, fish, steamed bread and other things."
The narrator said Mr. Wang

had written a letter in Decemcil, or cabinet. An official at the. ber in which he pledged to recenter said that the tape was fuse food indefinitely if he were



Prime Minister Tomiichi Murayama bowing in Parliament Friday after the Diet passed a resolution promising Japa-nese self-examination for behavior during World War II.

Standing of its past.

Countries such as South Korea and China have been kinds of actions.

Japanese Weaken Apology for War

Self-Examination' Promised

By Nicholas D. Kristof

TORYO - The Inwer house of Parliament, or Diet, approved an enfeehled resolution Friday that promises self-examination for Japanese con-duct during World War II but offers an apolngy.

Months of vigorous dehate and hack-room negotiations were necessary to pass the resolution, which does little more than say that Japan may have engaged in some "aggressive-like hehavior" — and only in the context of similar actions by other countries.

A proposed phrase of apolo-

Prime Minister Tomiichi that were invaded by Japan, to in Asian countries. mark the 50th anniversary of the peace. But the way the reso- as "remorse," is "hansei," which lution was weakened in recent more literally means reflection weeks has only raised new ques- or self-examination. So the restions about the nation's understanding of its past.

alarmed by Japan's unwillingness to applingize, and young Koreans on Friday burned Jap-

anese politicians in effigy.
The resolution passed nverwhelmingly Friday, but only because opponents boycotted the session. The New Frontier Party, the main opposition group, stayed away because of he coalition's refusal to consider amendmenis.

Dozens of members of the Liberal Democratic Party also boycotted arguing that Japan need not express any remorse at all. They argue that Japan was forced unwillingly into World

War II. The key paragraph in the res-olution reads: "Recalling many gy had been excised at the insis- aggressive-like acts and intence of the Liberal Democratic stances of colonial rule in mod-Party, Japan's largest pulitical ern world history, we recognize and express deep remorse for these kinds of actions carried Murayama had pushed for a out hy our country in the past. resolution of apology, directed They brought unbearable pain principally at Asian countries to people abroad, particularly

The key term, here translated olution can also be translated not as expressing remorse hut

36,000 participants who are expected in September. Communications links and shuttle bus service to the women's conference in Beijing will be provided, she said.

BRIEFLY ASIA

Nepal Leader Seeks New Elections

KATMANDU, Nepal — Nepal's prime minister, seeking to stave nff a no-confidence vote, said Friday that he had asked King Birendra to dissolve Parliament and call elections.

The king earlier called a special sessinn of Parliament on June 16 to dehate a no-confidence motion, sponsored by the npposition Nepali Congress Party, which is aimed at inppling

Prime Minister Mana Mohan Adhikari's government of six

"I have recommended to the king to dissolve the present House of Representatives and hold new elections within six

months," said the prime minister. Mr. Adhikari, 74, heads a

minority government. The Nepali Congress Party has has accused him of politicizing the bureaucracy and schools, and failing to curb inflation. It has called upon him to resign.

Forum Accepts Site Outside Beijing

BEUING — The Chinese heve so improved a site for a

gathering of international advocacy groups that the meeting's

For twn months, the organizers had said that the site in

Huairou lacked facilities and that its distance from Beijing.

pants from a United Nations women's conference to be held

But Supatra Masdit, an organizer of the meeting of nongovernmental organizations, or NGO Forum, said Friday that

the Chinese had made "much progress" since she visited the

site in April, and that it would be able to accommodate the

about 50 kilometers (30 miles), would virtually bar partici-

at the same time in the capital.

organizers dropped the opposition to the site on Friday.

Tamil Rebels Reassure Red Cross COLOMBO — Tamil Tiger rebels reaffirmed on Friday a pledge not to endanger ships used by the Red Cross, which considered pulling out of Sri Lanka after one of its vessels hit a mine and sunk earlier this week.

The rebels previously agreed to not conduct military operations around ships being used by the International Committee of the Red Cross. That pledge came into doubt Sunday when a vessel used by the Red Cross was sunk by a sea mine apparently placed by the rebels.

The International Committee of the Red Cross said that the attack had not been deliberate.

"I wish to assure you that we will abide by our mutual agreement with regard to ICRC protected vessels," Velupillai Prabhakaran, the rebel leader, said in a letter to the head of the Red Cross in Sri Lanka, Marco Alther. (AP)

British Warship Visits Wellington

WELLINGTON — The frigate Monmouth sailed into Wellington harbor Friday on the first visit by a British warship to New Zealand for 12 years.

Both countries said that the visit signaled a return to normality in naval relations. Britain suspended ship visits after New Zealand banned nuclear-armed and nuclear-propelled ships from its waters in the mid-1980s.

For the Record

Mongolia has barred visits by senior Chinese officials to Ulan Bator to protest the alleged planting of listening devices in the Mongolian Embassy in Beijing, Mongolian officials said Friday. Beijing has denied that it placed the longdistance bugging devices.

A heat wave across most of India claimed 10 more lives Friday, bringing the death toll to 123, the Press Trust of India

Riots Raise Doubts About Forcing Vietnamese Home

By Philip Shenon New York Times Service

KUALA LUMPUR -- An international plan to end the 20-year sojourn of the Vietnamese boat people and force the last of them back to their homeland is in danger of unraveling after recent riots by the Vietnamese in detention camps

across Southeast Asia. Refugee workers say the riots show that it will be impossible to deport many of the remaining 40,000 Vietnamese in detention camps without violence. The once-steady flow of boat people volunteering to return to Vietnam has evaporated, at least in part because of moves by Republicans in Congress to offer thousands of them asy-

say the detention camps may have to remain for years to come as Asian governments, least two men with bleeding in-fearing more bloodshed and an juries, possibly self-inflicted outery from human rights organizations, give up on their plans to force the Victnamese home.

Just Thursday, the riot police go home. proved in the House of Representatives but is facing a veto by group of nearly 50 Victnamese been peaceful," said Erika President Bill Clinton, say detention camps throughout

LONDON:

Reviewed by

Michael Elliott

A Social History

By Roy Porter, 431 pages.

\$29,95. Harvard University

DAUL Theroux once wrote,

more like a country. lts

hugeness makes it possible for

everyone to invent his own city.

My London is not your London,

though everyone's Washing-

ton, D.C., is pretty much the same." And that's what makes

London so hard to grasp. On

any sensible measure of its

metropolitan area, it has twice

the population of any city west

of Moscow. It dominates its host country to an extent that

has never been true of Paris,

Rome, or anywhere in Ger-

many - while outlying parts of

Britain are losing population, London's periphery keeps booming. Yet at the same time,

it is the least British place of all.

In 1981 one in six Londoners

was born outside Britain; in its

international links, its enter-

prise, verve and sheer busyness,

it is a world removed from the

(take your pick) indolence or

placidity that often typifies the

Perhaps because understand-

ing London is such a challenge.

it has been well explored by

many writers, among whom Porter, a historian of

medicine at London University,

is the latest. His book deserves

rest of the country.

London is not a city. It is

boat people protesting their imminent deportation to Vietnam. There were no reports of iniuries, although the kitchen and an adjacent office were set afire by the Vietnamese.

On Monday, the riot police in Malaysia fired water cannon and tear gas to force back more than 1,000 boat refugees who rotest over government plans for repatriation.

Many of the protesters were armed with knives, and the Malaysian police say that after the riot, they seized daggers, swords, spears, bows, and other weapons from the camp, where more than 4,000 Vietnamese are

Twenty Vietnamese were detained by the police here on charges of rioting. And while As a result, refugee workers police spokesmen said no one was wounded in the clash, reporters outside the camp saw at since many of the Vietnamese here have repeatedly threatened to commit suicide rather than

London addicts will supple-

"The London Encyclopaedia"

by Ben Weinreb and Christo-

looking for a one-volume social

the Prince Regent and his ar-

grandiose schemes peter out

consciously planned. Its true

gems - like Nicholas Hawks-

moor's churches of the early

1700s - are hidden away. Lon-

don is the way it is because gov-

emments could never impose

regularity upon it; it was built not

by kings or emperors but by private capitalists eager for quick

London, indeed, was the

apotheosis of early capitalism

- Porter's history of the im-

portance of trade and commerce

to the city's growth is exem-

High Commissioner for Refugees. "But I think violence, at least low-level violence, is be-

coming a threat." The United States has endorsed an international agreement intended to close most than 1,000 boat refugees who camps by the end of the year by broke out of a camp on the encouraging the Vietnamese outskirts of Kuala Lumpur in a still left to go back home voluntarily - and, if that fails, by

deporting them forcibly. Virtually all of the Vietnamese left — there are large camps in Indonesia, the Philippines, Thailand, Hong Kong, and Malaysia — have been declared economic migrants, not political refugees, and therefore have no right to asylum under inter-

national law. But the difficulty of carrying out the so-called Comprehensive Plan of Action has been compounded by legislation now under debate in Congress that could result in offers of asylum to as many as 20,000 Vietnam-

Republican sponsors of the legislation, which has been ap-proved in the House of Repre-

BOOKS

to be an instant classic. True plary. But there was something

secution, even imprisonment, if riot last month in one Hong they are forced to return to their

Some human rights camaigners agree. A study by the Lawyers Committee for Human Rights, based in New York, found that "hundreds, perhaps thousands, of Vietnamese refugees have been wrongly rejected" for asylum,

employs investigators in Viet- volunteer to return home under nam to monitor conditions of a program in which they are the 70,000 Vietnamese who each given a payment of several have already gone home volun- hundred dollars. tarily, insists that it has been unable to document a single last week for 270 Vietnamese in case of government harassment of the returning Vietnamese.

News of the recent congressional moves has begun to cir- four of the Vietnamese anculate in the detention camps nounced that they had changed throughout Asia, and refugee their minds. workers say it has given many of the boat people reason to believe that their protests even violent protests - could help them achieve their dream of citizenship in the United

tury. Karl Marx may be buried

Porter convincingly suggests that, with few exceptions, Lon-

don has been politically qui-

escent for decades. The bigger

question is whether London is

The UN High Commissioner

States.

more. London was (and perhaps in Highgate cemetery, but

Feller, regional representative many of the Vietnamese in the Southeast Asia, has blamed the in Kuala Lumpur for the UN camps have reason to fear per- congressional debate for a huge

> Kong camp. Nearly 200 people, most of them police officers, were wounded in the protest. It was the most violent clash since Hong Kong's colonial government opened camps for the boat people in the 1970s.

The UN has also blamed the legislation for having ended the The United Nations, which flow of Vietnamese willing to

The UN ran a charter flight Hong Kong who had volunteered to go home. But the flight had to be canceled when all but

"They clearly told us that they wanted to await the outcome of the congressional debate in Washington," said Jahanshab Assadi, the chief of mission in Hong Kong for the

"I hope the damage to the repatriation program is not irreparable, but we have very tangible evidence of people being affected by what's going on in

Ms. Feller, the UN official in Kuala Lumpur, said she was certain that the American legislation was "an important factor" in the clash here on Mon-"The Vietnamese," she day, "The Vietnamese," she said, "have asked us point blank: Does this legislation mean that we're going to be able to go to the United

We can't keep on meeting like this.

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Herald Eribune THE WORLD'S DAILY NEWSPAPER

still is) the world's great Protesment it with the new edition of tant city. From the time of Elizabeth I, it became the safest pher Hibbert, but for those haven for Protestants persecuted elsewhere in Europe. Flemings, history of the city, Porter's book could hardly be bettered. Dutch and Huguenots flocked now, or can ever be, the powthere. In the 17th century it was erhouse of capitalism it once a hotbed of Puritanism, the re- was. Porter doubts it: the chap-Porter succeeds because he doubt of Parliament's forces in ters of his book that bring the knows that you can't look for the English Civil War. In the story up to the present day deorder in London. It is, in his 1670s the mob liked to burn scribe a hopeless city ravaged effigies of the pope, "his belly filled full of live cats who squawled most hideously when efficies of the glob-"a muddle that worked." With the exception of squawled most hideously when chitect John Nash, whose they felt the fire."

Curiously, the political radwhere Portland Place bends icalism that had once gone hand around what is now the home of in glove with Protestantism and capitalism died in the 19th cen- for The Washington Post. the BBC, the city has never been

al market. Michael Elliott, diplomatic

editor of Newsweek, wrote this



Dining Yalle

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THE WORLD'S DAILY NEWSPAPER



"Vegetuzione," a project for the 1995 Venice Biennale, by Livio Seguso

A Parisian Savior for the Biennale

By Roderick Conway Morris International Herald Tribune

ENICE -- Italy's faction-ridden medieval republics sometimes found that the only solution to their chronic disorder was to call in a foreign podesta, or governor, to rule them. The city of Ragusa, now Dubrovnik, institutionalized the system — and Nicolo Machiavelli was an eager, though unsuc-cessful, candidate for the job there.

Lası year, as the Venice Biennale's 100th anniversary drew near, this cumbersomely bureaucratic, administratively top-heavy insultation appeared to opt for a similar course; it surprised just about everybody when it bypassed local Italian candidates and, for the first time, called in a century art. complete outsider. Jean Clair, the man in charge of the Picasso Museum in Paris.

this weekend and runs until Oct. 15.

Clair has made his presence felt through an enormous personal exhibition: "Identita e Alterita," Identity and Otherness, or Identity and Alterity as the catalogue would have it.

The central theme of the show is how a wide range of artists have viewed and presented the human body in general and the face in particular over the last hundred years. To accommodate the show's 1,000 Grand Canal) with overspill sections of more recent works in the Correr Museum

ion in the Biennale Gardens in Castello. invention of cinema, or X-ray — on the only upon request). vision of artists. The canvases and sculpstudies of the human body in motion and pictures from police archives to masks of racial "types" and gadgets such as one to measure the human skull.

Clair illustrates how, in an age of mass often been of uneven quality.

destruction, artists have often tended to see the human body no longer as a classical seen to run against this trend, producing spuriously "wholesome" ideal beings. like those in Adolf Wissel's "Kalenberg Farming Family" (1939), a chilling painting that contrasts dramatically with Felix Nussbaum's "Self-Portrait With Jewish Passport" (1943).

Many famous artists are represented in the show - from Matisse, Picasso and Munch to De Chirico, Bacon and Hockney -but oot necessarily by their most famous works. There are other discoveries to be found here in a thought-provoking show that will delight anyone interested in 20th

Deliberately or not, the exhibition is a ootable counterblast to Achille Bonito Oli-Though be had linle time to prepare the event, the retiring, pipe-smoking academic has managed to place his stamp on this year's centenary Biennale, which opens spaces two years ago was an uphill task.

The city of Venice decided to mount its own historical retrospective of the institution at the Doge's Palace, curated by Giandomenico Romanelli. The selection of some 170 pieces is rich and rewarding. Again there are fine works by artists littleknown today, as well as those by figures such as Klimt and leading Italian 20th century painters and sculptors.

The city show also has a section with works, which include 600 paintings and some 400 exhibits at Ca' Pesaro on the 200 sculptures, Clair has filled Palazzo Grand Canal, covering applied arts (insome 400 exhibits at Ca' Pesaro on the Grassi (FIAT's cultural flagship on the cluding a large glass section) that were also shown in the first Biennales. On the top floor of Ca' Pesaro is an astonishing cycle on St. Mark's Square and the Italian Pavil- of huge monochrome art-nouveau murals done by Aristide Sartorio for the 1907 Clair is fascinated by the influence of Biennale. These should not be missed scientific and technical innovations — the though visitors are allowed to see them

Clair created a rumpus by deciding to tures are paralleled by photographs, from cancel the Aperto, or Open, section for young artists, previously held at the Corderie, the Arsenal's old Rope Walk, He contended that the building is not in good enough condition and that the event has

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manent abolition of the event. But in the whole but fragmented into constituent absence of a special space to show young parts. Nazi and fascist art is interestingly artists, countries including the Netherlands and Britain have set up their own shows the former in the cloisters of the San Francesco della Vigna, the latter in the Scuola San Pasquale, next door to the church).

The Netherlands is the only country I am aware of with an "art mountain" to parallel Europe's beef mountains and wine lakes: it consists largely of otherwise unsalahle works bought from Dutch artists by the state as a form of government subsidy. The Duchampist works on show at the cloisters may, one suspects, share the same fate. The British works, too, will appeal only to die-hard fans of today's often statesponsored "avant-garde."

Most of the national pavilions in the Biennale Gardens offer little of great excitement, though the fashion designer Roberto Capucci's sculpture dresses in the Italian Pavilion are fun and beaunfully made. These pieces are not designed to be worn hy any living woman, but to stand on their own as works of art, an amusing comment on the near-naked models the conturiers have been sending down the

Equally enjoyable is a show held jointly by Allen Ginsberg and the Japanese artist Hiro Yamagata at the Zitelle Cultural Center on the island of Giudecca (until Sept. 15, closed July 1 to 51. The beat poet turns out to be a skillful photographer. His pictures, which document not only his own life but those of confreres such as William Burroughs, Gregory Corso and Jack Kerouac, are poignant, sensitive and revealing. Hiro Yamagata, who says he was inspired by Ginsberg, has produced an extraordinary set of motor cars by cannibalizing the wrecks of dozens of Mercedes-Benz Cabriolet 220As. restoring them to mint condition and painting them in glorious technicolor.

Some Italian critics have been waiting for Jean Clair's Biennale to fall on its face. speaking of him as if he were a new Machiavelli incarnate. It is a pleasure to report that he seems triumphantly to have saved the Biennale from itself.

The Tales African Textiles Tell°

By Michael Gibson International Herald Tribune

ARIS - Sculpture is the main suit of African art, but the continent also produced a singular two-dimensional art form, and the current show at the Dapper Museum devoted to it is something of a revelation.

"Au fil de la parole" (through Sept. 25) assembles various types of textiles from Ghana, Togo, Sierra Leone, Nigeria, Zaire, Mali, Cameroon and the Niger basin, whose qualities of invention and composition, particularly in the more asymmetrical pieces, surely rival those of such consecrated moderns as Klee or Chillida.

Thus the ornaments of the Ntshak cloth embroidered by members of the Kuba group in Zaire irresistibly remind one of the work of European abstract artists, even though this cloth, sometimes five or eight meters in length, was worn as a loincloth and never intended to be displayed on a wall.

Simple symbolic forms — V-shapes, circles and squares — as well as more informal ones that could evoke a stylized reodering of human figures dancing with abandon, are disposed almost randomly on the cloth with splendid effect.

Also intended to be worn is a sumptious piece of indigo cotton embroidered with ecru designs done by a Hausa from Nigeria. This immense poncho-like item (2.73 by 1.35 meters), with its large, incomplete concentric circles and superimposed rect-angular designs, is splendidly authoritative and irresistibly asymmetrical.

The fundamental difference between these works and comparable ones by Westemartists clearly resides in the fact that each

created for its wearer. "All these garments are signs of identity, social status, function or condition - or even an illustration of a proverb," says Christian Falgayrette-Leveau in the catalogue. "The motifs serve as vehicles for a discourse which provides

recognition and stimulates euphoria.' Western works are intended to hang from a wall where they invite to reverie or reflection, while the African ones are wrapped around the hips, stand for a relationship and define the wearer's part in the general dance and structure of society.

But the perception and interpretation of patterns is also quite different. In sub-Saharan Africa, where writing only recently gained a foothold, patterns have long been a powerful support for discourse both wise and humorous. Nakunte Diarra, a Barnana woman from Mali, makes a type which she combines more than 40 patterns, each with its own name. A crenelated line is known as "the teeth of the jealous husband," a zigzag line is "the one-legged woman," and a pattern composed of two lozenges connected by two lines in the form of a barbell is referred to as Kumi Jose's neck. Kumi Jose (or Diosse) had a remarkably long neck. He was the last chief famous for his brave resistance to the French. This last pattern demonstrates how, in the absence of writing, the memory of a person or an event can be preserved by

means of a pattern printed on cloth. The subtext of other patterns can be

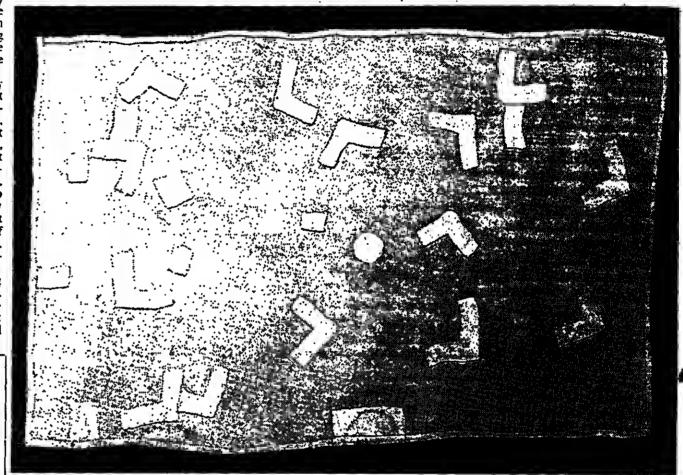
one of the African items was specifically animals as the caiman, the scorpion or the snake. Even a simple white line has its significance, being known as "the little

hite snake. The Kuba have their own interpretation of the simple geometric signs they use. A small square set in a larger one signifies Woot, the ultimate ancestor who, with his sister, Mweel, produced the world and all the beings that people it. Thus do the simplest designs tie each individual into the

broader mythic patterns of the world.

HIS does not mean, however, that aesthetic considerations did not play their part. Each Kuba monarch, in past centuries, was required to invent a new pattern when he was elevated to the throne. This tradition was still observed in the first part of this century. King Kot Mabiintsh ma-Kyeen of died cotton cloth called Bogolan, on (1919-1939) traveled some distance in search of his own pattern, and one day, when he was already king, his aesthetic interest was stimulated by the tracks of a bicycle tire that he immediately had coun artists set down for future use.

This exhibition plays upon the paradoxical relationship Westerners establish with such objects. They view them through eyes accustomed to modern art but they are also of the Bamana village of Kumi and became gratified to discover that such forms can serve as vehicles to meaning. In a world interly dominated by instant communication, and possibly suffering from an excess of mere information, these simple objects illustrate how, in other circumstances and in the absence of writing, the collective memmoralistic ("people gossip too much") or ory could rely on a web of signs to transmit metaphysical or religious (Mount Sinai), or and immortalize humor, history (or legend) may simply refer to characteristics of such and the hidden wisdom of the tribe.



Nishak pattern from Zaire is among striking designs in show of African textiles in Paris.

Revolution and Restoration

By Daniel Williams

OME - This city, like all of Italy, is filled with art treasures. So what's anantiquity is without one. Giotto. Sancta Sanctorum shrine.

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DROUOT RICHELIEU

the list of masters could fill. well, a fat tourist book, and of

course they do. Yet the unveiling in a Roman chapel of four walls of restored other fresco when there are frescoes, painted by anonyplenty of great ones to behold in mous artists late in the 13th Florence, Arezzo, Assisi? ceotury, created unusual excite-Hardly a major church of any ment. The works are in the

Masaccio, Fra Angelico, Piero across from San Giovanni in to light thanks to a perfect della Francesca. The names on Laterano cathedral, where the restoration, presents the first Laterano cathedral, where the Appian Way enters the Old

> Pope Nicholas III ordered the chapel, a private house of prayer for the popes, rebuilt in 1277 after an earthquake. It had been declared the "Holy of Holies" because it sheltered relics from Jerusalem and from the lives of martyred saints, and a painting of Christ on wood sumed a place alongside Flothat, legend held, was

> painted by human hands." Inside the new chapel were subtle signs of something revolutionary: A knee that had been painted with an effort to represent anatomy. An angel on one panel that was slightly far-ter than its near-twin on another. The clear blue eyes on a talk of a 'school of Rome' in the portrait of Nicholas III, which same breath with Umbria and were strikingly different from the characteristic brown eyes of assorted saints and martyrs elsewhere. The folding of one building behind another, a primitive stab at perspective.
>
> These individual touches

Until then, painters had been restricted to the rather stiff and standardized renditions of icons. One Saint Peter would invariably look rather like another, a style that Giorgio Vasari, the 16th-century biog-rapher of Renaissance artists, called "rubbish." The artist or artists - in the Sancta Sanctorum had broken these rules.

That this revolution was taking place in 13th-century Rome, which had been thought to be a fresco backwater, comes as a surprise. Extensive urban renewal in the 14th century destroyed much of the medieval hairless face of Nicholas III. shown handing a model of the chapel to a waiting Christ, is grime but by an extensive repainting done in the 15th century. At that time, repainting was considered restoration.

"It makes one think there was a consolidated school of artists in Rome," Federico Zeri, a leading art historian, wrote. "This original fresco cycle of the 13th century, returned

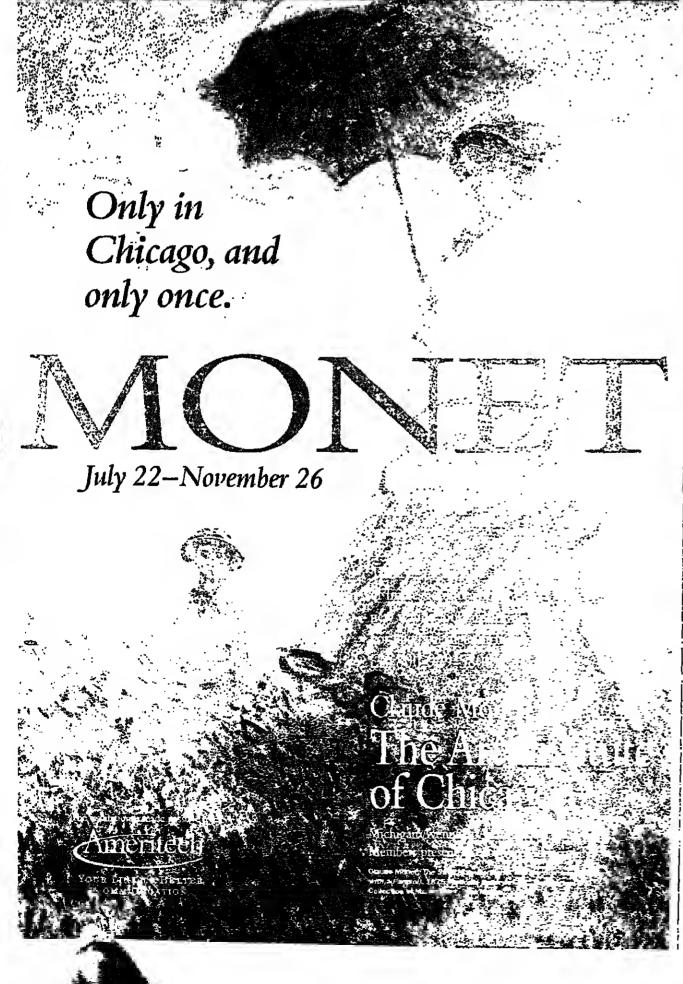
restoration, presents the first hints of the prospective and for-mal revolution that opened the road to modern painting."
Italian cities, which for cen-

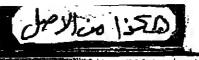
turies vied commercially and territorially, harbor many ancient rivalries, and art comes in for its share of them. So when the Vatican unveiled the Sancta Sanctorum, Rome suddenly asrence as a pioneer producer of frescoes heralding the coming Renaissance. "Maybe it is Rome that influenced the Tuscans, Giotto, the others," Carlo Fioravanti, director of the Passionisti order of priests, which has taken care of the chapel for centuries. "We can same breath with Umbria and

IORAVANTI ticked off the details of the frescoes. Note, he said, the flowery ornamentation and red background frambroke the rules of medieval art. ing the depictions of the grisly martyrdoms of Saints Peter, Paul, Lawrence, Agnes and Stephen, as well as a miracle performed by St. Nicholas: See the landmarks that include Castel Sant Angelo and a now-de-stroyed tower in Circo Massimo, identifying Rome as the site of the upside down crucifixion of St. Peter. "Look at the noses," he said, pointing at the prominent beak on a man vigorously pumping air through bellows on a fire burning St. Lawrence. "These are not medieval noses. These are real.

frescoes were hidden not just by stunning; such portraiture in 2 church, displaying great individuality, was thought to be out of the question in the Middle Ages. Zeri called it the "first known portrait of Italian paint-

> Bruno Zanardi, a master re-storer from Parma, carried out the cleaning, which cost about







JUNE 10-11, 1995

Chinese Buyers Move Into Market to Reclaim Heritage

ONDON - The ascent of Chinese art increasingly looks unstop-pable. This week, neither the current economic worries nor the po-litical uncertainties in the Far East appeared to affect prices or the volume of transactions in what has become the most dynamic area of the art market.

The auctions held at Christie's on Monday and at Sotheby's on Tuesday gave

SOUREN MELIKIAN

some striking indications of its vigor. But the auction message could not be read without careful scrutiny of the performance. At times, the anctions, even at Christie's, where the total sold rose to a very substantial £2.6 million (about \$4 million), seemed to be headed for disaster. The auction house had its best sale in years, but when 38 percent of the lots find no

buyer, something is wrong somewhere. In a nutshell, the auction houses do not have the guts to keep out third-rate pieces or to compress reserves thrust upon them by speculators (to the point where these would become salable). Christie's must have been understandably keen to include a marvelous 15th-century red lacquer box, which it ran on its cover.

The snag is that it also took in a host of trifling objects from the same "European collection" that no place in a high profile auction. In the event, the lacquer box, inscribed with the imperial Yongle reign mark (1403-1424) fetched a sensational £100,500 but the glory of it was lost as one in two of the trifling pieces, of no remote interest to the attendance, failed to elicit bids.

Ironically, the importance of the other stunner in the "European collection" failed to register with the cataloguer, so busy he must have been sorting out a myriad of pieces. The dish, decorated on the sides with turquoise dragons on deep blue ground, was entered as "late 15th/early 16th century." Lacking an imperial mark, it seemed to justify a £3,000 to £5,000 estimate. As it happens, however, it belongs to one of the very rarest classes of Ming porcelain. A it flying to £331,500, paid by King Kong funious bidding match broke out between Lee on the phone from Hoog Kong on dealers from America, Europe and Asia, sending the dish zooming to £76,300. The

winner? A Hong Kong collector, of course. There were other trumphs for Colin Sheaf, the expert who put the sale together, and other glitches as well. A splendid bronze tripod vessel or "ding" of the 12th century B.C. ascended to £36,700. It was

followed by two bronzes of the same period, which were equally splendid but never stood a chance — broken and restored, they should have had their estimates slashed hy half or more, not the same estimates as the ding, which is intact. They did not sell.

Shortly after, there came a totally unnecessary group of bronze mirrors with datings ranging from the 2d century B.C. to the 8th century A.D. The cognoscenti, who appeared to put little faith in them, watched stonefaced as they fell into emptiness, one after the other.

In any but the strongest market, pranks such as these can cost dearly. On Monday, they made not a shred of a difference. Better, there were some pleasant surprises. Excavated Tang earthenware figures are often difficult to sell, even good ones. That was not so on Monday.

A Japanese buyer went after a camel and its rider in eastern Iranian garh, for which he paid £67,500 and, unable to resist another camel obviously from the same workshop, paid £28,750 for the latter.

was nevertheless the Chinese who dominated the entire proceedings. Sheaf says that more than two-thirds of the sale in value was accounted for by Chinese buying — Hong Kong alone represents 23.5 percent of the total. The big surprise invariably affected objects that traditionally excite Chinese admiration porcelain with reign marks that establish their imperial destination, objets d'art in the scholar's taste. A bowl of the Hongzhi period (1488-1505) more than tripled its high estimate as it reached £36,200; it has just the right shade of imperial yellow and, yes, the mark.

It all peaked with an 18th-century dish decorated in green on black with garden rocks and shrubs, and blossoms on the rim. Painted with a skill usually associated with hand scrolls, this is more beautiful than any piece of that exceedingly rare group yet seen on the market. With its Qianlong (1736-1795) mark, it proved irresistible to Chinese connoisseurs. A grand battle sent Lee on the phone from Hoog Kong on behalf of a collector.

Sotheby's replay of the game on Tuesday confirmed the extent of the Chinese onslaught on Chinese art. It was a more compact sale which totaled £1.6 million and left 32 percent of the lots unsold (less than at

Christie's, but still a huge proportion. Two incidents were revealing of the im- possession.

pact of the Chinese taste on price patterns. One concerns a dish decorated with vermilion dragons amidst blue and white wares, inscribed with the Yongle mark (1403-1424). It is not oearly as rare as the green and black dish. But it is beautiful —a beauty not instantly acknowledged in the West. At £287,500, it exceeded its high estimate by a quarter and is now headed for Hong Kong. More surprising still to Westem professionals, a bamboo root carving of a cabbage leaf, which they thought would go anywhere between £2,000 and £3,000, went up to £46,600. A Hong Kong collector got it over the phone.

Had the story been confined to the auction scene, it might be argued that the Chinese are belatedly discovering the fun of the game. But what happened in the galleries leaves far behind the auction house performance. Eskenazi's stunning show which, as usual, stood out above all the others, gives the clue to what may be the ultimate secret behind the ever-soaring fortunes of the Chinese art market - a continuing capacity to surprise, sadly lacking elsewhere. I know of no other field where one dealer alone can come up with a dozeo unrecorded masterpieces, two of which reveal hitherto unknown schools of sculpture.

A group of six pottery figures of women dancing, their arms raised to allow their long sleeves to flutter, represents an extraordinary addition to our knowledge of Han art. It is shocking that four of the six should have been sold to three different buyers, breaking up this mysterious ritual ballet, the meaning of which escapes us.

Yet this marvelous group is outshone hy the unexpected pottery figure of a Tang lady of the court molded around 700 A.D. with a sophistication in the detail and the expression on the face that places it very high up in what André Malraux called "The Imaginary Museum of World Sculpture." By Wednesday night, sales at Es-kenazi's added up to "over £4 million," according to the London dealer, about 10

percent of it courtesy of Chinese buyers. These were everywhere. They bought the finest jades from S. Marchant's selling exhibition on view at 120 Kensington Church Street until July 7, and a host of scholarly taste objets d'art from the Oriental Arts Gallery at 4 Davies Street. Marchant wistfully remarked that some of the jades beaded East came from great European collections. Indeed. What happened this week in London goes far beyond the art market. It smacks of cultural re-



Among treasures found in galleries are these earthenware dancing figures from Western Han period in China.

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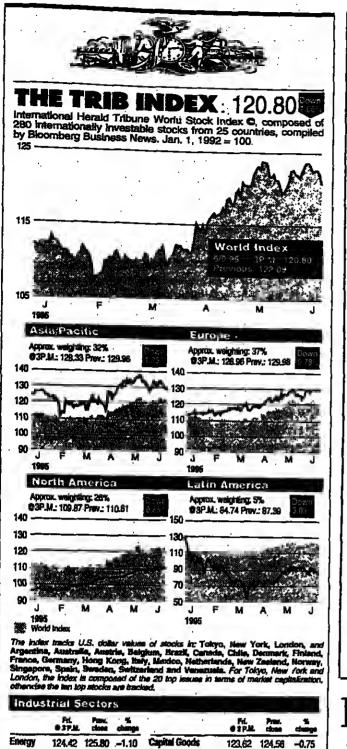
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Microsoft Finds Itself Under New Antitrust Inquiry

By Elizabeth Corcoran Washington Post Service

WASHINGTON — The Justice Department's anti-trust division is looking into how an electronic network that Microsoft Corp. plans to launch in August might affect the on-line industry.

America Online, Compu-Serve and Prodigy, the Unit-ed States' three leading commercial on-line services, received requests for information from the Justice Department this week, company representatives said. The Justice Department asked the companies to respond on an unusually tight deadline: ideally, by Friday. "We have a lot of this in-

formation assembled," said Kent Stuckey, general counsel for CompuServe. "The request is actually a continuation of a dialogue that bad been going on for some

Microsoft confirmed Friday that the Justice Department had requested information about its new on-line service, The Associated Press reported. It said it was cooperating fully with the Justice Department and remains confident that its plans are legal and in the best interest of consumers." This is the third time the

Justice Department bas looked at the business practices of Microsoft, the world's largest personalcomputer software company. Last summer, after a five-year government inves-tigation, Microsoft agreed to change bow it licensed its DOS and Windows operating-system software. That settlement bas yet to be ap-

proved by a judge.

In April, the department filed suit against Microsoft's plans to acquire Intuit Inc., America's biggest provider of personal-finance software, causing Microsoft to drop the deal.

The department would not confirm the precise nature of its inquiry into the network. "We're looking at the possibility of anti-competitive practices in the computer-software industry," said Gina Talamona, a spokeswoman.

On-line services allow people to link their computers over phone lines to send and receive electronic mail, read news and buy goods. At issue for Microsoft's

on-line competitors is whether the company's dominance of the market for operatingsystem software would give it an unfair advantage as it moves into the new realm of

Bonds Plunge on Japan Rumor

A spokesman in Washington on the for Japan's Finance Ministry change. denied the rumors that Finance

tors to dump U.S. bonds. ing the yield up to 6.72 percent from 6.60 percent Thursday.

Compiled by Our Staff From Dispatches

NEW YORK — Prices of the lead of bonds, with the Dnw U.S. Treasury bonds plunged Jnnes industrial average closing friday on rumors that the Japanese government had told interest to avoid U.S. securities.

A spokesman in Washington on the New York Stock Exchange.

Lawrence H. Summers, un-Minister Masayoshi Takemura dersecretary of the U.S. Treabad counseled Japanese inves- sury, said he did not think it was a "serious concern" that Nonetheless, the price of the Japan would retaliate against benchmark 30-year issue fell 1 the United States for its threat-20/32 point, to 111 17/32, takened auto sanctions by shunning U.S. bonds.

set in go into effect nn June 28 if interest rates soon. Bond prices the United States does not have dropped for three days, reach an agreement with Japan since Alan Greenspan, the Fed reach an agreement with Japan on more open markets for cars and car parts.

Mr. Summers made no fur-

ther comment on possible bond sales by Japanese investors but said "a more open Japanese market and reduced Japanese current account balance would make a bealthy contribution to the world economy

The bond market also remained under pressure from speculation that the Federal Reserve Board would not cut chairman, suggested the U.S. economic slowdown would be temporary. Other Fed officials have offered similar hints at

Robert Parry, president of the Federal Reserve Bank of San Francisco, said Thursday that the U.S. economic slowdown, while worse than be expected, would be followed by a

"I don't think there's any See BONDS, Page 12

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U.S. Moves Dim Hopes Japanese Firms For Auto Talks' Success More Optimistic

GENEVA - The United States provided little reason Friday to hope for a breakthrough in its auto-trade dispute with Japan during talks in Geneva next week.

In announcing the team that will represent Washington, an official of the U.S. Trade Representative's Office said that the talks were not likely to last more than one day.

"Whether the meetings run through Tuesday the 13th depends on bow much there is left to discuss," Ira Shapiro, the general counsel, said. "At this point, I think one day will be

"Our course is set," be added, referring to punitive tariffs announced against some Japanese luxury cars. "Unless we have a successfully negotiated agreement between now and June 28, we will impose sanctions."

The negotiating team will be led by Catherine Fields, an assistant to Mr. Shapiro. She will be assisted by Andy Stoller, the deputy U.S. ambassador to the World Trade Organization.

Japanese officials made clear that they had expected the delegation to include more senior

"This seems a clear sign that Washington recognizes not much is going to come out of this meeting," said one senior trade envoy in Geneva, "and that all they can do is agree to disagree."

European Union officials said Brussels would not attend the talks because Washington had attached unacceptable conditions on its participation,

(Renters, AFX, Bloomberg)

TOKYO - Japan's business outlook has improved, although the powerful yen and a slowdown in the U.S. economy remain causes of concern, the Bank of Japan said Friday in its quarterly survey on the economy. The tankan survey, conducted in May, showed a slight

improvement in business sentiment from the previous survey The survey also that major Japanese companies plan a 3.2 percent increase in capital investment in the year to March 31.

1996, after an 8.3 percent fall in capital spending in 1994-95. "The slow recovery is continuing," said Kunihiko Takeshima, the Bank of Japan's director of research and statistics. He said low interest rates would encourage major manufacturers to spend more on equipment.

In April, the central bank cut its discount rate — the rate at which it lends money overnight to commercial banks — to a record low of 1.0 percent in an attempt to fuel economic But economists and investors were not convinced of the

survey's rosy outlook. In the minutes after the survey was released, Tokyo's benchmark stock index fell to its lowest level in 34 months. The Nikkei Stock Average finished down 2.58 percent at 15,044.18 points. The survey "came out a bit better than expected, but the feeling is that the BOJ is too optimistic," said Phillipe Huber,

assistant director of equity trading at UBS Securities in Tokyo.

Analysts said a closer look at the survey reflected persistent problems in the economy. The business managers who responded to the central bank's questionnaire said the economy was burdened with too many unproductive workers and that

consumers still were not buying.

"Just as many indicators in the tankan point to an economic stall as to a continued economic recovery," said Dooald Kimball, an economist at Mitsubishi Bank, "The major worry

is the grim outlook for employment." Companies also expect prices to continue falling, which will pinch profit margins and cause further cut-backs.

The tankan's key figure, known as the diffusion index, is calculated by subtracting the percentage of respondents who say business conditions are worse from the percentage of those who say they are better. Those who answer "ocutral" aren't counted. A negative number means a greater percentage of companies are pessimistic.

The diffusioo index for major manufacturers dropped to a

low of negative 56 in May 1994. Since then, it has improved every quarter, reaching a negative 16 in this survey.

But recent economic statistics show companies they have reason to be concerned. lo April, the nation's unemployment rate rose to a record 3.2 percent and industrial production fell. (Bloomberg, Reuters)

ECONOMIC SCENE

For more information about the Index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 82521 Neully Cedex, France.

131,13 132,87 -1,31

Finance 119.95 121.43 -1.22

Services 112.38 113.38 -0.88

Baby Bells Want Solid Food

116.13 117.35 -1.04

131.29 132.51 -0.92

By Peter Passell New York Times Service

EW YORK - Sure, Americans can get 40 percent discounts on calls to second cousins after midnight, and even a free diagnosis of why their faxes never made it to Boise, Idaho. But does that prove that the long-distance telephone business in the United States is truly competitive?

The question of whether the half-regulated world of long-distance communications can successfully mimic a free market has fascinated economists since AT&T Corp. was chopped into seven regional monopolies and one long-distance carrier in 1984.

But it has taken on new urgency because the regional Bell operating companies are fighting to get into long-distance service, arguing that the market needs more big players if consumers are to enjoy the full fruits of deregulation. The U.S. Congress seems increasingly inclined to go along.

It is only common sense that the long-distance phone market is competitive. After

all, discount offers abound, television is swamped with advertising, and each year one in five customers switches companies in search of a better deal. But William Taylor, an economist at Na-tional Economic Research Associates and a consultant to the Baby Bells, says that common

advertising often serves less to inform than to create brand-name identity — and thereby raise barriers to new entry into the business. The churning of customers for what is

sense is overrated. For one thing, he says,

essentially a commodity, he argues, only reinforces the case that the phone companies are

using artificial marketing lures.

Most important, Mr. Taylor charges, consumers have yet to reap the benefits of com-petition where it counts. Declining prices for long-distance calls largely reflect the decline in regulated fees collected by regional phone companies to provide access to local phone networks. His solution? "Let the seven pappies off their leashes."

It is true that basic rates bave not fallen after accounting for the decline in access charges, Peter Pitsch, a former head of the Federal Communications Commission's Office of Plans and Policy, acknowledges.

But he says the only people who pay undiscounted rates are low-volume callers who had been implicitly subsidized by high-volume customers under regulation. Moreover, be says, there is no inconsistency between competition and higher rates as long as those rates

It is hard to track the overall price trend because high-volume users never pay retail. The most careful attempt was made by Robert Hall, an economist at the Hoover Institution and a consultant to MCI Communications Corp. Mr. Hall estimated that the average cost per minute of long-distance service, excluding local access charges, fell by roughly a third from 1985 to 1993.

If one is left with the impression that the long-distance market is already competitive, that is probably as it should be. While there are virtually no disinterested voices in this debate, there also are few real signs of monopoly power.

ITT Sells Finance Units for \$5.5 Billion Compiled by Our Staff From Dispatches The sales mark ITT's exit ance Group of America Inc. son Square Garden Corp. and from the business of making its sporting teams for \$1 billion. based in St. Louis, said it was

NEW YORK — ITT Corp. said Friday it had completed loans to consumers and busiagreements to sell the remainnesses. The company wants to focus on insurance, auto paris, ing parts of its ITT Financial Corp. in three transactions vallodging and entertainment. ued at \$5.5 billion in cash and ITT has created separate corthe assumption of liabilities.

porate groups for the three remaining businesses, in what analysts suspect is a preliminary move toward splitting them into publicly traded companies.

But the company declined to provide details of the new estate loans and properties in ship with Cablevision Systems nesses in a few chosen fields. Southern California. Reinsur- Corp., it also purchased Madi-

acquiring Lyndon. This year, ITT sold other ITT

Financial units for about \$7 billioo in cash and the assumption of liabilities. The company said it expect-

ed gross proceeds from all of the sales of about \$13 billion and net proceeds of \$3 billion to \$3.3 billion.

ITT sbares fell 87.50 cents to close at \$109,125. As part of its move to expand

Last month, 1TT completed the sale of its Puerto Ricobased Island Finance unit to Norwest Corp. for \$1.48 billion in cash and the assumption of debt. The company also sold its ITT Commercial Finance unit to Deutsche Bank AG for \$2.6 billioo in cash and debt. At one time, ITT had 275

businesses, accumulated mostly in the 1960s and 1970s during the reign of former Chairman recements to sell ITT Residen- in the entertainment business. Harold Geneen. The company's tial Capital Corp., Lyndon In- ITT this year acquired the casi- current chairman, Rand Arassurance Group's reinsurance oo company Caesars World kog has spun off and sold sev-business and a portfolio of real Inc. for \$1.7 billion. In partner-eral units, while acquiring busi-

It's Insider Trading Time Again on Wall Street

By Susan Antilla New York Times Service

NEW YORK - With the frenzy of merger deals and take-over battles these days, it seems like old times on Wall Street in more ways than one.

Securities regulators say they are opening investigations into insider trading at a rate not seen since the mid-1980s, the era in which Ivan Boesky, who went to jail for trading on inside information, became a household

Regulatory alarm bells went off again this week after International Business Machines Corp. disclosed its bostile \$60a-share offer for Lotus Development Corp. That bid pushed up the value of Lotus shares by 89 percent Mooday, the day it was announced, and caused regulators to begin looking into suspicious trading the previous

Other cases brought to light recently involved Lockheed's

June S

ECU

Marietta, another military con- for surveillance. tractor, and AT&T Corp.'s acquisition of NCR Corp.

"lt's a growth industry," said William McLucas, director of the division of enforcement at the Securities and Exchange Commission. "In terms of raw numbers, we have as many cases as we've bad since the 1980s, when we were in the beyday of mergers and acquisition activity."

Through the end of May, the National Association of Securities Dealers, which oversees the Nasdaq electronic trading market, had already referred 47 cases to the SEC for investigation into possible insider trading, said James Cangiano, the was unusually heavy.

merger last year with Martin NASD's senior vice president

If the pace of suspect trading said. 1987, he added. The same holds true for the

New York Stock Exchange, year as they had by this date in lators say.

nouncement, trading in Lotus

CURRENCY AND CAPITAL MARKET SERVICES

COMPLIMENTARY REPORTS Dynamic Techniques of a Professional Currency Trader are looking at it," Mr. Cangiano

And while the SEC does not mean the NASD would surpass comment on pending investigathe record 110 insider trading nons, Wall Street professionals referrals it made to the SEC in say that the agency has undoubtedly begun an investigating of Lotus trading,

Those trading on insider inwhere investigators have formation apparently include opened three times as many insider trading cases so far this than they did in the 1980s, regu-

Those who take advantage of The Lotus case seems typical privileged information now In the days before the IBM an- tend to be corporate officers, directors and their families, stock on Nasdaq and in Lotus friends and lovers, according to options, which are traded on executives at the stock exthe American Stock Exchange, changes and lawyers who repre-was unusually heavy. changes and lawyers who repre-sent defendants.

But the game — and the potential profits — are the same: Get information about a proposed deal that might raise the shares of a publicly traded company before it is announced, and buy the stock ahead of the

which cost less and tend to attract less regulatory scrutiny. Then, after the public learns

Better yet, buy the options,

what the insiders knew ahead of ime, it's time to get out with a quick profit.

The initial rounds of suspect trading of the last year or so differed from those of the 1980s in that they generally did not focus on big names in the securities business.

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Insider 1

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Source: Bloomberg, Reuters

Very briefly:

might sue over the decision.

CNN to Start Business News Service

NEW YORK (Combined Dispatches) -- CNN, the U.S. cable television oews octwork owned by Turner Broadcasting System Inc., won approval from its parent Friday to start a weekday

The business coverage, from 7 A.M. to 7 P.M., would be supplemented at night and on weekeods by the CNN International channel, which is devoted to foreign oews. The service would

begin io January. The new service will compete with General Electric Co.'s CNBC channel, and executives there said the company might counter by launching an all-news channel to compete with CNN. The Turner board discussed, but did not announce, whether it would make a \$1.9 billion stock hid for King World Productions Inc., three executives said. (NYT, AP, Reuters)

. U.S. antitrust laws banning price-fixing apply to the fashioo industry as they do to other prodocts or services, the Federal Trade Commission said Friday.

• General Electric Capital Corp. will acquire Amex Life Assurance Co., a unit of American Express Co. Terms were not disclosed. • Westinghouse Electric Corp. agreed to sell its luxury real-estate development unit for about \$550 million to a group of investors led by the Florida developer Al Hoffman, officials familiar with

the agreement said. • Mesa Air Group Inc. rejected a suggestion by a key shareholder that managers consider selling the company to increase its value. • Central & South West Corp. said it canceled a \$2.2 hillion merger agreement with the bankrupt El Paso Electric Co., which said it

Japanese Firms Selling U.S. Realty

self-off is the fact that Japanese companies

are suffering huge losses in the process. The

report estimates that the properties being

sold are fetching only about 60 percent of

For instance, Sazale Group was recently

reported to have sold the Hotel Bel Air for

what the companies had paid for them.

By James Sterngold New York Times Service

LOS ANGELES - Japanese companies. which unleashed one of the higgest international flows of investment ever when they flooded the United States with capital during the 1980s, are selling off many of their U.S. assets with growing haste in a critical area, real estate, a survey shows.

The trickle of sales of troubled real estate projects turned into a wave of auctions and oegotiations last year, according to an annual survey by the E&Y Kenneth Leventhal Real Estate Group in Los Angeles. Japanese investors sold or were on the verge of selling \$6.4 billioo worth of U.S. property last year, according to estimates in the report, and could sell as much as \$10

billioo more this year. By comparisoo, Japanese companies were oet sellers of less than \$3 billion of U.S. property in 1993.

Sixty percent of the U.S. real estate sold by Japanese interests last year was in Cali-

Perhaps the most striking aspect of the

had acquired it in 1989 for \$110 million. Such losses have led some experts to say that more Japanese companies would like to unload properties but have not because they cannot afford to realize the losses.

"Much of what can happen depends oo the capability of the company to absorb a loss," said Kenji Ogawa, head of the real estate finance group here for the Bank of Tokyo. "Not all companies are in a position to do that.'

The self-off is part of a large-scale retrenchment by Japanese companies. Io the span of a decade, many Japanese companies went from ebullient international investors paying unheard of prices for everything from universities in Australia and floating hotels in Vietnam to Rockefeller Center to financial cripples because of Japan's recessioo and their reckless practices.

ing impact," said Paul Alston, a Hooolulu lawyer who has worked with Japanese concerns on several real estate transactions there, particularly hotels. "They came in, paid huge prices and were unrealistic about what they could get in room rates. The market has now taken care of that."

about \$60 million; the Japanese company To put the sales in perspective, during the years for purchases, 1987 through 1990, Japanese companies acquired \$57 billion worth of American property, according to the Kenneth Leventhal estimates.

> First and foremost, the report said, the current sales are generally motivated not just by financial problems at the companies that own them, but by their bankers.

> That means that the Japanese government, which exercises significant influence over the financial sector, is a major player in the strategy.

"You can't put all the problems at the feet of the Japanese banks," said Robert W. Dziubla, a lawyer who has worked extensively with Japanese concerns on real estate transactions. "The government has had a big role in all of this. They set the policies."

RUMOR: Bond Prices Tumble

Continued from Page 11

uestion that the statements that have been made have really put people on the defensive. said James Kenney at Prudential Securities in New York.

U.S. Stocks

They're back into the mode that the Fed is oot going to

That sentiment also pervaded the stock market, where investors worried that maintaining interest rates would allow the economy to slip further toward recession.

"The mystique of the painless 'soft landing' is now suspect, and the reality principle is coming back to Wall Street," said Michael Metz, chief market strategist at Oppenheimer and Co.

With the economy slowing, many companies will find it hard to maintain a two-year streak of record earnings, analysts said. Several companies, including Ruhbermaid, Banyan Systems and Microtec Research, said Friday that they would not live up to Wall Street's profit expectations.
"Companies like Rubber-

maid are supposed to be the kind of stocks that do well in a slowing economy, and its fore-cast for lower-than-expected earnings is giving pause to some of the common theories of who does well in this environment," said Todd Clark, managing director in equity trading at Rod-

Rubbermaid fell 414 to 26%. Technology stocks, which had been leading the stock ral-

ly, also were weak. General Motors' class E stock, which represents its Electronic Data Systems subsidiary, was the most actively traded issue on the Big Board, falling 1/4 to 421/8.

IBM slipped % to 89, and Banyan Systems fell 5 11/16 to 121/2 Banyan, a developer of computer networking software, also was hurt by a lower earnings estimate from the company.

"Mr. Greenspan made his case very clear that he's not going to act anytime soon," said Richard Ciardulio, at Liberty Investment Management Inc. That means the groups that have been leading the way, like technology and some of the cy-clicals, will be the first to fall."

Philip Morris fell 14 to 704. losing for a second day after reports that the cigarette maker had studied the effects of nicotine, seemingly in conflict with the company's position that cig-arettes should not be regulated like a drug.

General Electric fell I to 55% after its General Electric Capital subsidiary said it would buy an American Express life-insurance unit.

Smith Corona fell 1/2 to 11/2 after the typewriter maker said it was in technical default of a credit agreement, blaming a previously reported \$22 million pretax restructuring charge. The company said it was still in talks with its lenders but had no assurance that it could successfully amend the agreement.

U.S. Tries to Expand Foreign Access for Banks

WASHINGTON - The White House is reporting little success in efforts to expand overseas business opportunities for U.S. banks, hrokerage houses and insurance

Treasury Secretary Robert E. Ruhin and S. Trade Representative Mickey Kantor said the oegotiations, taking place in Geneva, were likely to go down to the June 30

'We are working very bard, through talks in Geneva as well as high-level meetings around the world, to win oew opportunities for our firms to compete worldwide," Mr. Ruhin told the Senate Banking Committee on Thursday.

Our goal is to gain commitments from the key developed and developing countries that they will open their markets to our financial services firms and treat our firms as they treat their own."

Opening markets in financial services had been a top negotiating goal of the United States during the seven-year effort to rewrite the rules governing world trade.

That trade agreement went into effect at the beginning of this year under the auspices of the oew World Trade Organization. But Washington blocked implementation of the financial services portion of man & Renshaw the agreement, contending that the market-opening offers from other countries were inadequate.

The pound closed unchanged at \$1,5945 The Fed will want to wait a little

longer before declaring victory" over inflation, Mr. Brown said. The president of the Federal Re-

serve Bank of Boston, Cathy Minchan, forecast that America's gross domestic product in 1995 would rise around 2.0 percent, less than what is considered the economy's potential. But she still expressed hope for a "soft landing."

4.9465 French francs from 4.9515 annual rate in the first quarter of the

"The economy is almost dead solid perfect where the Federal Reserve wants it to be," said Rou Schreibman, vice president at the National Association of Wholesaler Distributors, "Talk of an imminent recession is overblown."

"This number is neutral for the dollar," said Earl Johnson, currency adviser at Bank of Montreal/Harris Bank in Chicago, referring to the price index. "It doesn't say tighten or ease."

(Bloomberg, Reuters, AP)

Rumors Buffet the Dollar Despite Signs Inflation Is in Check

Compiled by Our Staff From Dispatches
NEW YORK — The dollar slipped

gainst most other major currencies riday despite fresh news that the slowing U.S. ecooomy was keeping inflation in check.

Much of the decline was attributed to speculation that Japan's Ministry of nance had told Japanese investors to sell U.S. Treasury bonds. But both S. and Japanese officials dismissed the rumors, and the dollar trimmed its losses afterwards.

The dollar also received some help by news from the Labor Department

that the producer price index were un- not guarantee that the Federal Reserve changed in May, the secood mooth in three it has held steady. Beef, poultry, vegetable, auto and

natural gas prices all declined. The index rose 0.5 percent in April. For the year, wholesale prices are

Foreign Exchange

rising at an annual rate of 2.7 percent.

compared with 1.7 percent for all of 1994. Wholesale prices posted 0.3 percent gains in January and February. Still, a slowdown in inflation does

nominated in the currency less attrac-The dollar slipped to 1.4053 Deutsche marks in late trading from a close of 1.4082 DM oo Wednesday and to 84.350 yeo from 84.645 yen. It also weakened to 1.1595 Swiss

will lower interest soon, warned Scott

Brown, an economist at Raymond

James & Associates in St. Petersburg,

dollar hy making bank deposits de-

Lower interest rates often burt the

francs from 1.1615 francs and to

francs.

The economy grew at a 2.7 percent

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INTERNATIONAL HERALD TRIBUNE, MONDAY, JUNE 19, 1995

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S Tell. Insider Trading at the Top?

London Reviews Government Privatizations

By Fred Barbash Washington Post Service

LONDON — The British government is investigating itself over allegations of insider trading. The unusual probe stems from charges that the

Conservative Party government, in its continuing privatization drive, sold \$6-billion of stock in two electrical power-generating companies in March without disclosing its knowledge of pending reg-ulatory action which could, and did, drive down

The investigation was requested Thursday by the chief executive of the London Stock Ex-change. On Friday, Chancellor of the Exchequer Kenneth Clarke, whose department managed the sale, said he would comply. But he refused calls from opposition members of Parliament to seek an independent inquiry, saying that he was confident the treasury could handle it.

Insider trading, which is illegal, occurs when individuals with access to information that could affect the value of a stock buy or sell shares without sharing their knowledge with ordinary

That appears to be what officials did on March 6, when they disposed of the government's 40 percent share of Power Generation Co. and National Power PLC on the stock exchange.

At the time, they have acknowledged, they were aware that the official who regulates electricity prices in Britain was contemplating tightening controls on prices, an action which could depress the companies' profits, although they re uncertain about the timing and the details. The sale went ahead on March 6.

On March 7, the regulator, Stephen Littlechild, announced that he was considering new price controls. That day, the prices of both companies tumbled about 7 percent each. Although the stocks have since recovered, the government has not.

At the time, Mr. Clarke explained to angry Labor Party members of Parliament that while officials were made aware of the possibility of Mr. Littlechild's action, they had sought legal advice within the department and were informed that it was unnecessary to inform the public.

The controversy, highly politicized then, went away. It returned with a vengeance Thursday when the London Stock Exchange's chief executive, Michael Lawrence, wrote to the treasury sing his concern about the transaction and urging further investigation.

Ordinarily, he said in a BBC radio interview, he would have referred such a matter to prosecutors who enforce the country's securities laws. But in the belief that the government enjoyed immunity from those laws, he referred it back to

Prime Minister John Major dismissed the controversy as "silly hysteria." The sale of the government's electricity holdings was part of a broad privatization program begun by Prime Minister Margaret Thatcher.

Exports in EU Shrink Britain's Trade Gap

LONDON - Britain's trade deficit narrowed sharply in March, according to data released Friday, easing worries that the exports that have been driving its recovery might be

The country's overall trade gap was £520 million (\$826.8 nillion), about half of what economists had forecast. The February deficit, originally reported as £1.16 billion, was revised downward to £694 million because figures for exports to the European Union, Britain's main trading partner, were revised upward in both January and February.

The deficit of £1.98 billion for the first three months of 1995 was the smallest quarterly gap in eight years, and the March figure was the smallest since June 1991. The deficit for the first quarter of 1994 was £3.1 billion.

Britain's Conservative government, which has so far been unable to reap the political rewards of economic recovery, was quick to welcome the figures. "British exporters are leading a triumphant attack on the world's markets," said Michael Heseltine, the trade minister. "In March, our total exports of £12.6 billion broke all records. If we can do as well as this, we can do better still."

But Geoffrey Dicks, an economist at NatWest Markets. said the improvement in the quarterly deficit was being driven by a £1.3 billion surplus in oil trade, the highest in nine years, and by lower imports of aircraft.

Other economists said the data showed that the overall trade deficit was on a narrowing trend and matched the upbeat message sent by Confederation of British Industry surveys, which have been far more positive on output and export growth than official data. (Reuters, Bloomberg)

from \$100 million in April and G. Yasin said inflation re-

Stakes Rise In Auction For Holvis

Compiled by Our Staff From Dispatches
ZURICH — International Paper Co. stepped up its cam-paign Friday to acquire Holvis AG by requesting a special meeting of the Swiss company's sharebolders and calling for its board to be dismissed.

International Paper, which owns 25 percent of Holvis, will also demand that the board "immediately" take the necessary legal steps to "dissolve" the agreed sale of Holvis's Fiberweb unit to Britain's BBA Group PLC.

BBA, which holds 11 percent of Holvis, has also bid to buy the Swiss company. Holvis's board has recommended that shareholders accept BBA's offer, although it is 10 percent below International Paper's

"International Paper believes

that the Holvis board has not carried out its duries to act in the best interest of the corporation's shareholders," the U.S. company said. International Paper is enti-

tled to call a sbareholders' meeting because it holds more than 10 percent of Holvis

Christophe Zumstein, Holvis's senior vice president, said the six-member board would meet to review and respond to International Paper's request but said that was unlikely to happen before Tuesday.

International Paper's plan to bid 490 million Swiss francs (\$422 million) for Holvis is contingent on Holvis ending its agreement to sell Fiberweh, a key division that makes nonwoven fibers, for 250 million

prove favorable and 7 percent Holvis shares were down 2 francs at 502, while BBA's

shares fell 1 pence to 239 pence AFP, AP, Knight-Ridder) (\$3.80). (Bloomberg, Reuters)



Very briefly:

 Motorola Inc. completed its acquisition of 10 percent of Groupe Bull and said it could buy a further 7 percent later, depending on Bull's performance in the first half.

• Turkey plans to privatize its Tupras refining company, the iron and steel maker Eregli, the petroleum retailer Petrol Ofisi and the petrochemicals company Petkim, possibly by the end of the year, according to the Anatolian News Agency.

• Slovakia plans to install independent regulators for the country's capital markets in a body similar to the Securities and Exchange Commission in the United States.

 Switzerland's first-quarter gross domestic product grew 2.0 percent from a year earlier, compared with a 2.5 percent growth rate in the fourth quarter. The data indicate the economy is slowing, the Swiss National Bank said.

 Swiss unemployment fell to 4,2 percent in May from 4,3 percent in April and 4.8 percent in May 1994.

 German tax inspectors searched six Merrill Lynch & Co. offices on suspicion that the company had helped German investors avoid taxes. Authorities also searched the homes of about 200 people linked to the company, local media reports said.

Rabobank Nederland cut its estimate of Dutch gross domestic product growth to 2.75 percent this year from 3.0 percent and to 2.0 percent in 1996 from 2.25 percent.

 French retail sales rose a provisional 0.4 percent in December, after an increase of 0.5 percent in November.

 Norway's consumer price index rose 0.1 percent in May from April and 2.7 percent from a year earlier.

• Welsh Water PLC's pretax profit fell to £120.4 million (\$191 million) in the year to March from £144.2 million the previous year as a one-time charge of £28.5 million offset a 2 percent increase in sales, to £521.9 million.

 Nynex CableComms Group priced an offering of 305 million shares at 137 pence each, valuing all of its issued share capital at

 Tesco PLC said sales at stores that have been open for at least a year were up 7 percent so far this year from the comparable period AFX, AFP, Rewers, Knight-Rudder

West Germans Lead World in Labor Costs

The Associated Press

BERLIN - Western Germany had the highest labor costs in the world in nearly two months. 1994, with an hourly average of 43.97 Deutsche marks (\$31.09), a Cologno-

based institute said Friday. Some German companies have cited the region's high labor costs, up 3.2 percent from 1993, as a reason to move operations abroad.

East German wage costs ranked 15th on the Institute for the German Economy's Survey. They averaged 26.53 DM an hour in 1994, up 12,2 percent from 1993. The figures include benefits payments and actual wages.

Swiss wage costs were the second highest, at 41.47 DM an hour, followed by Belgium at 37.35 DM. Japan was fifth, at 36.01 DM, and the United States ranked 13th, at 27.97 DMC

Friday's 4 p.m. Close

Moscow Calls Ruble a Good Investment Compiled by Our Staff From Dispatchet day and its lowest level against MOSCOW — Deputy Prime the ruble since late March.
Minister Anatoli B. Chubais We are trying to force the

said Friday that the country had reached "a stage of finandollar out of all sectors of the economy," Mr. Chnbais said, cial stabilization" as the ruble "not only at the level of comout in its strongest showing in mercial banks but among the

population."
He said that it would have "The ruble is on the attack, been "ridiculous" to urge peoand this will continue," Mr. ple to save rubles a year ago but that the currency could now be considered a safe investment.

The dollar was fixed Friday Foreign investment in Rusat 4,881 rubles on the Moscow Interbank Currency Exchange, sian equities surged in May to the equivalent of \$200 million down from 5,181 rubles Thurs-

\$40 million in March, Mr. Chu-mained the chief concern. He said the monthly inflation rate bais said. He said 40 percent to 45 per- had fallen from 18 percent in

cent of the investment had tak- January to 8 percent in May but en place in the oil sector, with a that the target of bringing it large share coming in telecom-"If, a short time ago, a share

in a Russian company cost only a hundredth of a share in an equivalent foreign company, now the ratio is only a tenth, he said.

Economics Minister Yevgeni

down to 1 percent or 2 percent

He forecast an average

monthly rate for the year of 5

percent if economic conditions

this year was unrealistic.

Santer Says U.S. Must Cut Budget Deficit to Stabilize Dollar Calling for international talks on stabilizing the

BRUSSELS - The president of the European Com-

Soles High Low Latest Chat

mission, Jacques Santer, said Friday that the United States had to take action to bring its budget deficit and other economic conditions under control to stabilize

Mr. Santer also said the European Union's efforts to bring economies of member nations into compliance with the Maastricht Treaty's criteria for creating a single currency should serve as a model of monetary

dollar, he said the Group of Seven leading industrial Nova Scotia, had to develop a way of cooperating to seek stability in exchange rates and growth.

He said he would bring up the matter during the summit meeting.

"There needs to be discussion of monetary turbu-

U.S. STOCK MARKET DIARY

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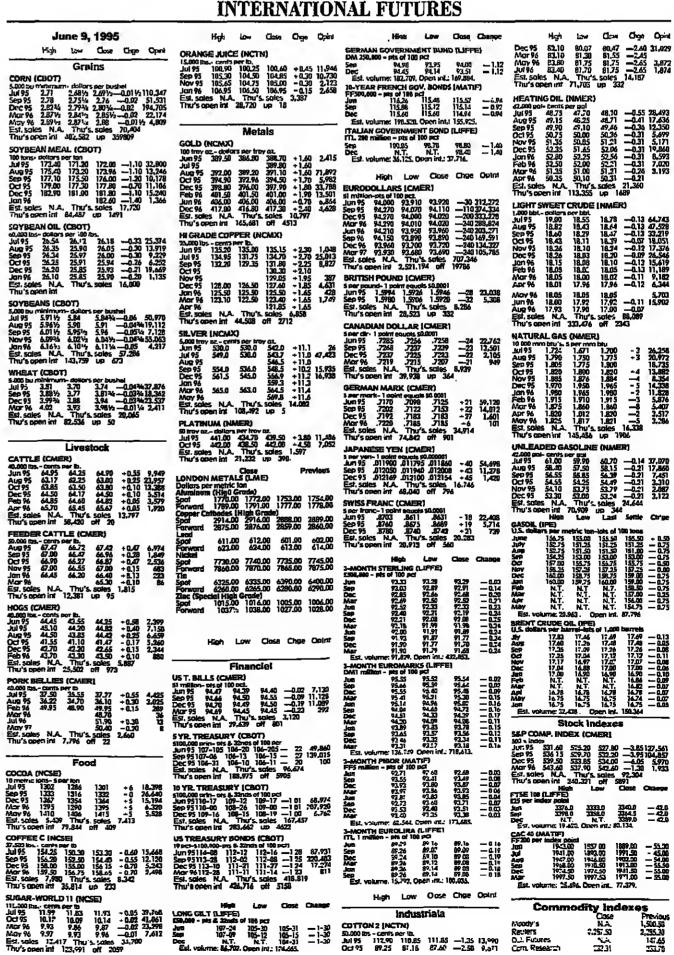
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Mr. Santer said the dollar's value would not stabilize until Washington took steps to bring the U.S. econonations, at their summit meeting next week in Halifax. my into line with other national economies. "We can't guarantee a stable dollar unless the U.S. economy converges with those of other countries," he said.

He added that he regretted there had been no international coordination over currency levels recently like the £1.3 billion efforts that followed the Plaza and Louvre agreements

(AFX, Bloomberg, Knight-Ridder)



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Big Life Insurers **Are Abandoning** Tokyo's Bourse

TOKYO - Japan's strugeling economy and falling asset

prices have turned its hig life insurers, once considered staunch supporters of stocks, into some of the market's higgest sellers. Insurers sold 340 billion ven

(\$4 billion) of stock in May. analysts said Friday, most of it sold by Japan's eight largest life insurers. Some said that selling helped explain why the Nikkei stock average has failen almost 25 percent this year, as the country's 27 life insurers own roughly 14 percent of corporate

Japan.

The bad news for the market is that only one or two of the life companies seem to have begun their adjustment right now," said Andrew McGrath, an independent trader based in Hong Kong. "If the others join in, there's an enormous amount potential selling.'

The market will get a hint of just how eager life insurers may be to raise cash Monday, when the Big Eight companies report their earnings for the latest financial year.

Japanese life insurers used to be considered among the least likely sellers of large blocks of stock. Not only were their portfolios part of the intricate web life insurers invest their money of cross-shareholdings that can have significant conselinked companies, but as some of Japan's biggest investors, they would be sensitive to the fact that any attempt to sell on a large scale was sure to force

Japan's flagging economy has changed things, however, making stocks look overpriced and sparking a rally in bonds.

"Due to justifiable concern over the economic recovery, investors, including the lifers, are sbying away from equities." said Andrew Shipley, an econo-

"There's been a shift of interest from the stock market to bonds. and there's no reason to expect

we'll see that change soon." Prime Minister Tomiichi Murayama on Friday issued a plea for unspecified major steps to support the stock market. "I'm very much concerned," be said. "We need drastic measures, which should be created

apart from conventional ideas." Mr. Murayama made the remarks after the Nikkei index fell below 15,000 points late Friday for the first time since August 1992.

Japanese life insurers have recently been faced with a potent concoction of financial troubles. As their shareholdings have fallen, declining interest rates have eaten into their income from lending and bonds. But they are obligated to pay policyholders benefits that were agreed upon back in the 1980s when their profitability was at a

Meanwhile, they need to work off 5.3 trillion yen in non-performing loans, and the government is leaning on them to reduce their exposure to risky

Moreover, the way in which

"The biggest threat to the market is that they'll continue to become more risk-averse, selling stocks and buying bonds," said David Threadgold, an industry analyst at BZW Securities.

But the trouble for life insurers is that, as the market has taken its 60 percent tumble since 1989, the profits on their core boldings bave dwindled in some cases, to nothing.

(Bloomberg, AFP)

Brokering the Power in Indonesia

Demand for Energy Soars

By Paul Blustein

JAKARTA - It was the dawn of the 1990s when California-hased Mission Energy Co., looking overseas for the first time, commissioned a study to find the most promising market for its power-plant husiness.

"Indonesia came on the screen as a high target," recalled Robert Edgell, a Mission vice president.

Demand for power in Indonesia, which has a reputation for polinical stability and is the world's fourth-largest country in population, is surging at more than 15 percent a year as factories sprout throughout the archipelago, especially on the

The state-owned utility, PLN, has been unable to keep up with demand despite a huge building program in the late 1980s. So about five years ago, the government began considering proposals from private groups interested in huilding a power plant with the aim of supplying electricity to the state utility under a long-term contract. The plant was to be in Paiton, next to an existing power facility.

Mission teamed with two other internationally recognized giants. General Electric Co. and the Japanese trading firm Mitsui & Co., to bid. But by early 1992, the government had declared its intention to deal with a consortium led by a littleknown U.S. firm, Intercontinental Electric Inc., and the Indonesian conglomerate Birnantara, headed by President

The Mission group had its own influential member — Hashim Djojohadikusumo, a Jakarta husinessman whose brother is married to one of the president's daughters. A Hashim-owned company joined the Mission group with a 15 percent interest and a contract to supply the Paiton plant with low-sulfur. clean-hurning coal from Borneo.

Mr. Hashim personally pitched the advantages of the Mission consortium to the president, and in May 1992 the government decreed that the two groups should share the project. A few months later, after the groups had failed to reach an agreement, the Mission-led consortium received permission to start negotiating an electricity supply contract ahead of the rival group.

While saying that his group won because it had "the superior product," Mr. Edgell acknowledged that Mr. Hashim's connections were "a contributing factor" behind the decision to bring him into the consortium.

For 18 months, the Mission group was locked in negonations with Indonesian authorities over the terms under which the Paiton plant would operate.

"It was a very interesting cultural experience — having Indonesians, Americans and Japanese involved," said Raymond Vickers, a Hong Kong-based lawyer with long expenence in Indonesia who was called in by Mission when the negotiations appeared headed for a stalemate.

The two sides finally signed a contract in February 1994, but it wasn't until six weeks ago that the last hig burdle - arranging the financing - was surmounted after more tough bargaining.

A Local Tycoon Emerges

JAKARTA - Foreign investors who bet a bundle on big projects in this part of the world would be well-advised to find a local partner with solid connections to the powers that besomeone like Hashim Djojohadikusumo, who at 40 is as rich

and well-connected as his name is long.

Mr. Hashim, the local partner in the high-profile Paiton power-plant project, is a man whose fortunes are rising quickly, just like his rapidly modernizing country.

A small fish in Jakarta's business pond until the late 1980s. Mr. Hashim has emerged as one of Indonesia's most prominent tycoons. His stake in PT Semen Cibinong, the publicly traded cement company he controls, is worth more than \$180 million, according to recent prices for its shares on the Jakarta stock exchange, and he stands out as one of the few pribumi indigenous Indonesians — who has attained financial success in a country where most of the wealth is beld by the ethnic Chinese minority.

Foreign companies looking to invest in Indonesia have been knocking down his door. In addition to the Paiton project, he is joining forces with Merrill Lynch & Co. to form a Jakarta brokerage firm and has invested in high-rise building projects

with Kajima Corp., the Japanese construction giant.
But his success, and his popularity with foreign investors, is
not attributable solely to his business accumen. Connections count in Indonesia, and Mr. Hashim has plenty of them. His brother, a rising army officer, is married to one of President Suharto's daughters. His father, Sumitro, is an economies professor who has served as a cabinet minister. While some of Mr. Hashim's critics dismiss him as just

another "crony capitalist," other members of Jakarta's business community view him as a breed apart from the presidential relatives who make quick bucks by grabbing government contracts or arranging special deals with the authorities.

Mr. Hashim's admirers, while acknowledging that he ex-

ploits his connections, contend that his businesses will continue to thrive long after Mr. Suharto leaves the presidency. "He's the real item," said a foreign resident of Jakarta who heads the local operations of an international brokerage firm.

For his part, Mr. Hashim takes a matter-of-fact view. The importance of connections, he says, "is part of our system and predates President Suharto." Mr. Hashim speaks flawless English learned while growing up overseas. His undergraduate degree is from Pomona College in California.

After returning to Indonesia in 1978 and starting a small trading company, Mr. Hashim made his first big splash on the business scene in 1987, when he bought a controlling share of Semen Cibinong, Indonesia's second-largest cement company, from its British owners. The deal established him as a young man with plenty of clout who was ready to use it.

Backed with credit from friendly bankers - he had relatively few resources of his own — Mr. Hashim bid \$20 million, only to be outbid hy a \$26 million offer from a Mitsubishi company. Mr. Hashim matched the Mitsubishi bid and took his case to Mr. Suharto's government.

The government concluded that Mr. Hashim should win, in the spirit of "Indonesianization,"

—Paul Blustein

CITIC Pacific Says Auto Unit Will Slow Its Earnings Growth

HONG KONG - CITIC Pacific Ltd., the Hong Kong arm of China International Trust & Investment Corp., said Friday that it expected earnings growth to slow this year as it maintained its focus on infrastructure, property and

percent in 1994, to 2.57 billion Hong Kong dollars (\$332 million), said it had been hit this year by a slowdown at its Dah Chong Hong

Sales at the unit fell 40 percent in the first four months of the year from the comparable period in 1994, said Larry Yung Chi-kin, chairman of CITIC Pacific. He said the unit was taking steps

To compensate, CITIC will step up its proper-

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Result before taxation:

insurance operations

banking operations

Profit per ordinary share

Total assets

Shareholders' equity

months 1995

First three amonths 1995

1.92 31 March 1995

373,212

First three months 1994

31 December 1994

4.1

ty business in 1995 and will join other developers in vying for the site of a former British naval hase at Hong Kong's Victoria Harbor, Mr. Yung said. The British Navy's Tamar Basin site is being

sold to private developers as the territory pre-pares to revert to Chinese rule in July 1997. The tender for the 3,480-square-meter (4,176-squareyard; site in Hong Kong's Admiralty area will

CITIC Pacific also is seeking a partner for a bid to build a 20 billion dollar railway station in the territory's Central Business District, Mr. Yung said. Cheung Kong (Holdings) and its affiliate, Hutchison Whampoa Ltd., are among those that bave expressed interest in the so-called Central Station project.

Central Station is the main terminus on Hong Kong Island for a proposed railway to the air-

port being built on Lantau Island, west of Hong Kong Island. Chep Lap Kok Airport is scheduled to be completed by July 1997.

Mass Transit Railway Corp., the government-owned operator of the territory's underground railway, has invited developers to submit bids for the Central project by the end of next week. The operator will grant property development rights for the station, which is expected to include 223,650 square meters of office space, 90,000 square meters of retail space and 102,500 square meters of hotel or service-apartment space.

Mr. Yung said CITIC Pacific, whose interests include stakes in Cathay Pacific Airways Ltd. and Hong Kong Telecommunications Ltd., had enough cash on hand to fund its projects and did not plan to sell more shares to raise money.

■ Inflation's Pace Quickens in Beijing

Consumer prices in 21 of China's 35 major cities rose last month, the State Statistics Burean

Prices in Beijing rose 20.2 percent in May from a year earlier, after an 18.5 percent increase in April. Shanghai's prices were up 22.8 percent in May, while Guangzhou's consumer price index rose 15.4 percent.

"I'm not surprised to see the inflation rate rising again," said Qu Hongbin, economist at Smith New Court in Hong Kong, "We've always believed the inflationary pressure is still there."

Beijing has declared inflation the country's leading economic problem. Last year, the consumer price index rose 24.1 percent, the worst result since the Communists seized power.

Brierley to Sell Stake in Casino

WELLINGTON - Brierley Investments Ltd. and Promus Cos. said Friday they were selling 36.9 percent of their Sky City project for 156.8 million New Zealand dollars (\$104.6

The companies said they had accepted a bid for 7.38 million shares in the New Zealand casino, which is scheduled to open in 1996. Brierley, an investment holding company.

and Promus, its U.S. partner in the project. are negonating the terms and conditions of the sale with the bidders and are holding talks with casino regulators. "It's very good for Brierley." Guv Hall-

wright of CS First Boston said of the sale. Last month, Brierley said the partners in-tended to sell as much as 37.4 percent of the After the sale, which Brierley said it expect-

ed to complete by July, the company will hold 50.6 percent of the project, while Promus's gaming subsidiary. Harrah's. will hold 12.5

Brierley sold its 29.9 percent holding in the British defense and aerospace equipment

manufacturer Alvis PLC in May. Earlier in the month, it so d its 28.4 percent stake in the newspaper publisher Wilson & Horton Ltd., and in mid-April, the company sold its re-

maining 7.64 percent share in the forest-products concern Carter Holt Harvey Ltd. Before those sales, analysts considered Brierley to be at the limit of its ability to pay for further sizable acquisitions without seri-ously increasing its debt levels.

Those sales were offset in part by a string of purchases, including the acquisition of 5 per-cent of Air New Zealand Ltd., 19.9 percent of the Australian building products group James Hardie Industries Ltd. and 6 percent of the food group Goodman Fielder Ltd.

■ Hyundai Merchant Marine Plans IPO

Hyundai Merchant Marine Co., a shipping unit of Hyundai Corp., applied to make an initial public offering of 8.6 million common shares in August, Reuters reported from Seoul, quoting a company spokesman.

The spokesman said the company would offer shares at 9,000 won (\$11.84) each.

Showa's Shares **Drop by Limit**

Compiled by Our Staff From Dispatches

TOKYO - Showa Line Ltd. said a report Friday concerning its deht was incorrect, but the shipping company's stock nev-ertheless plummeted to its lowest permitted closing price.

Showa announced its results a week early to refute the report, which said it was suffering from excessive debt and had lost as much as 4 billion yen (\$47 million) in the year ended March 31.

In fact, Showa said, it lost 2.28 billion yen, narrowed from a net loss of 5.41 billion yen the previous year. But its operating loss grew to 1.90 billion yen from 1.07 billion yea.

The stock closed at 81 year. down its daily limit of 50.
(Reuters, Bloomberg)

ING Group's net profit for the first three months of 1995 showed a handsome increase. The results of the insurance operations grew considerably, while the results of the banking operations were First three

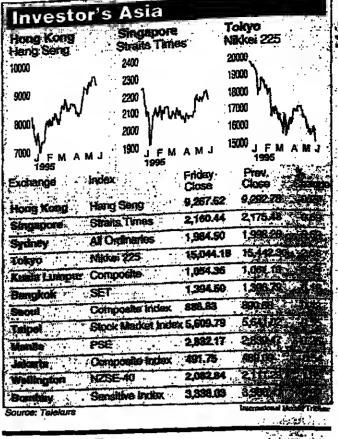
In insurance, the life profit rose from NLG 194 million to NLG 245 million (+ 26.3%). The non-life profit increased by NLG 75 million to NLG 64 million. The improvement of the non-life result is partly due to the fact that the portfolio has not been affected by major natural disasters.

In banking, the interest result fell by NLG 91 million (-5,6%) to NLG 1,521 million. Commission income decreased by 2.6% to NLG 332 million. Although the result from financial transactions improved, it was still disappointing: - NLG 42 million compared to - NLG 234 million last year. Value adjustments to receivables from banking operations amounted to NLG 260 million compared to NLG 250 million (+4.0%). The result of the British bank Barings, acquired on

Shareholders' equity decreased from NLG 21.8 billion at the end of December 1994 to NLG 19.4 billion at the end of March 1995. This decrease was caused by writing off goodwill paid for Barings and by developments in the stock and foreign exchange markets. Shareholders' equity per share decreased from NLG 79.83 at the end of December 1994 to NLG 70.72 at the end of March 1995. The Executive Board expects that, barring unforeseen circumstances, net profit for the whole



ING Group, P.O. Box 810, 1000 AV Amsterdam, The Netherlands, tel.: t+31) 20 541 54 71, fax: (+31) 20 541 54 51.



Very briefly:

• Nippon Telegraph & Telephone Corp., which currently employs 200,000, plans to cut 30,000 jobs by March 2000 and will announce details by the autumn, the Nihon Keizai Shimbun said.

· Malaysia, whose economy has grown more than a percent annually for eight years, is confident of surpassing that figure this year as well, Deputy Finance Minister Affifudin Omar, said.

TV New Zealand is selling its 29.5 percent stake in Asia Business News to the satellite broadcaster's two U.S. parties. Day Jones & Co. and Telecommunications Inc.

• South Korea plans to scale back the rele of its Ministry of Finance and Economy, saying 12 of 47 ad hoc committees now under the ministry's umbrella would be eliminated, including those dealing with personnel and real estate projects. Foster's Brewing Group Ltd. said its first Change brewed lager,

called Fu Shi Da, was launched in Guangzhou • Thailand's prices in May were up 5.4 peacest from a year earlies, the same rate as in the year ended in April.

• Japan cut interest rates on official loans to developing commiss

by an average of 0.4 percentage point to help case the burder of Reuters, Bloomberg, &FE, &FE, Knight-Ruider

U.S. Offers Regrets to India

NEW DELHI — The American amissission to highe Brank Wisner, has expressed regret to Tower Minner. M.K.P. Salte over a recent U.S. Energy Department statement about the controversial Dabhol power plant, a local newspaper reported Fudity.

Mr. Wisner, responding to a telephone to the flow Minner Salve, accepted the Maharashtra state government's right to review the U.S. sponsored plant and said he hoped the June 2 statement would cause no lasting misanderstanding; the report said. The statement warned India that other internationally funded power projects could be jeopardized if it went back on an agreement for construction of the plant, which is 80 percent owned by Enron Corp. of Houston. Corp. of Houston.

Resort Dreams Fade At Vietnamese Beach

DANANG, Vietnam - The dream was of a Chair Beach, the famed recreational spot for U.S. soldiers in Vietnam. transformed into a sparkling seaside resort for tourists.

The reality is that where a string of resorts was planned,

today there are only pecling billboards that more than a year ago announced the resort's imminent construction.

And now, with several new industrial developments planned by the Vietnamese government and companies in

planned by the Vietnamese government and companies in nearby China Beach, development for tourism seems further away than ever. Some developers are cutting back their plans.

Al DeMatteis, a New York property developer, planned a \$100 million five-star based and marina on China Beach. But the new industrial developments, and the slow pace of tourism in Vietnam, have changed all that.

Instead of the five-star fiotel, he said, the company will build several ranch-style villas. Instead of tourism, it now have that ematting businessmen living in Vietnam will have

hopes that expatriate businessmen living in Vietnam will buy or rent the villas.

Besides industrial development planned nearby, Mr. De-Matters said that Danang, the nearest city to China Beach, needed infrastructure, including an international airport, to make tourism profitable.

More than a year ago, Mr. DeMatteis was one of several developers who had announced plans to build more than \$329 million of projects in China Beach, known locally as Non Nguc. Other developers included an international investment syndicate that still plans to build a \$24 million Indochina

American developers in particular foresee a booming market of U.S. Army and other veterans returning to visit Vietnam. Altogether, 3 million soldiers passed through Danang. which was one of biggest air bases during the war.

The beach remains unpolluted, and an annual surfing

competition is starting to attract international attention. But most of most of the hotel sites remain inactive. Only about 70,000 foreign visitors went to Danang last year. Poor infrastructure and bureaucratic inertia are just some of the

Still, according to Nguyen Xuan Phuc, Danang's director of tourism, The industrial zones "will not affect tourism development."

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Tax Time: Don't Ask, Just Tell

ORGET about flags and anthems and mascots. If you want to take the true measure of a nation's character, look at the way it drafts and enforces its tax policy.

Tax laws, like any statutes, are a govemment's way of telling citizens what it wants them to do. Interestingly enough. many Western governments agree on quite a few points. Citizens should work for a living. but preferably not for themselves. They should invest their money, but not make obscene profits, buy their own homes, but not do it too often: have two or three children, but not necessarily get married.

At this time of year, the American expatriate's heart pounds faster at the thought of declaring yet another year's achievements, financial and otherwise, to the U.S. Internal Revenue Service on June 15, the deadline for overseas filing. Although it may be hard for anyone who has been the target of a tax audit to swallow this, the IRS is almost a caricature of the American reputation for openness. Tell us everything, the service says, even if you're not sure we need to know.

The reason for this attitude - again, believe it or not — is that the U.S. tax authorities care a lot more about undeclared revenue than they do about exaggerated deductions. This makes perfect linancial sense. One reason for a proposed IRS crackdown on offshore trusts, as Barbara Wall reports this week, is the belief that such trusts allow some \$10 billion in unlaxed transfers to U.S. citizens. The IRS would have to disallow a lot of business dinners and charitable contributions to add up to the taxes on that kind of change.

As any accountant will tell you, the IRS can forgive mistakes - after all, nobody's perfect - but it positively hates being lied to. This is worth keeping in mind on Thursday as you sharpen your pencils, switch on your calculator, and prepare to meet one of life's many moments of truth.

FIRST COLUMN New U.S. Laws Are Changing the Game for Expatriate Taxpayers

By Judith Rehak

O. you're an American expatriate.
You pay U.S. taxes. Like many in
your situation, you've availed yourself of the automatic extension enabling you to file your 1994 return with the Internal Revenue Service as late as June 15.

But as you prepare to open your checkbook this week, tax experts say you should be aware of changes in U.S. tax regulations that came into effect in 1994. The changes are affecting American expatriates to vary-

ing degrees. Least affected are those whose companies promise so-called tax equalization to their employees living abroad, meaning that the workers won't pay more, or less, than they would at home. But self-employed expatriates may discover they have lost some of their former deductions. Some of the new regulations, moreover, apply to everyone who pays U.S. taxes.

everyone who pays U.S. taxes.

But regardless of where you fall, international tax professionals say the changes, some of which are outlined below, may influence your 1994 filing and how you do your 1995 tax planning.

• Moving expenses. The days when Americans could deduct a bost of moving

Americans could deduct a host of moving expenses when their job took them to a new city are gone. As of 1994, the 30 days — or as much as 90 days for expatriates — of hotel and meal expenses that were allowed

while you house hunted, plus the costs of selling a home, are no longer deductible. Still allowed are plane and ship tickets and the new, and the cost of moving household goods and personal possessions.

American expatriates with tax equalization benefits may find that their com-panies will bear the burden of costs that are no longer deductible, says Arthur Fisher. an international tax partner with KPMG in Washington. D.C. "But the companies might take a harder look at those costs from now on. he warned.

Who, according to Mr. Fisher, are the big losers on moving expenses? "If you're overseas and self-employed, like a lawyer or consultant, or even retired, you're out of

luck." he said. The Medicare tax. The income on which Americans must pay the Medicare tax of 1.45 percent is now unlimited. Before 1994, the ceiling was \$135,000, so the

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socked with nearly \$15,000 in tax. The Medicare tax may even be assessed on expatriates' so-called add-on income, like housing allowances and school tuition, according to Musadiq Bhalloo, an international tax manager with Coopers & Ly-

A U.S. multinational company might be willing to compensare for that, "but if it's base pay, the employee is stuck with that," said Mr. Bhalloo, noting that the situation was the same for an expatriate as for someone living in the United States.

 Business meals and entertainment. The IRS has tightened the screws on how much you can deduct for those power lunches and dinners, not to mention an evening on the town with a client. The maximum is now 50 percent, compared with 80 percent previously. Once again, the hardest hit are the self-employed.

 Club dues and travel expenses. The golf course may be your favorite place to clinch a deal, but as of the 1994 tax year the IRS has decreed that dues and initiation fees paid to clubs for "business, pleasure, recreation, or other social purposes" are no longer deductible. Even if you consider your spouse or significant other an asset to your career, you can no longer write off the cost of taking him or her to a business

• Charitable contributions. Are you still sending checks to groups back bome. such as your church, alma mater or a philanthropic organization? Starting with your 1994 tax return, those canceled checks are no longer sufficient proof of your conother transportation expenses for individ-uals and their families from the old city to organization.

The good news is that, after a barrage of complaints in the United States, the IRS is going easy on demanding receipts this year, allowing taxpayers until October 16 to obtain them. So take the deduction, even without a receipt, say tax pros, and chase it down later if the IRS asks for it.

But Uncle Sam won't be so forgiving in 1995, they warn. To avoid the hassle alegy: "If you intend to give \$250, give \$249." he said. "It costs the organization

S1 to send you a receipt anyway.

Safe-harbor rules. Under prior regulations, if you paid, say, \$10,000 in U.S. taxes one year, and you paid an estimated tax of \$10,000 the next year, you were protected from penalties, even if you ended maximum bite was \$1,958. Now, if you up owing \$1 million, Now, anyone who has - A.B. earned, say, \$1 million a year, you could be a taxable income of more than \$150,000

Page 19 Offshore accounts Wills for expatriates Foreign trust changes A break for non-U.S. banks

must ante up estimated taxes of 110 percent of the prior year to be protected. It may already be too late for 1994, but take note when estimating your payments on 1995

income, say the experts.

• What to look for in 1995. So far, there haven't been any major changes, according to tax professionals. But there's no doubt on what many taxpayers are wondering about: the prospect of a flat-rate income tax for everyone, a possible reduction in the capital-gains tax, and the question of whether to postpone taking profits on an investment in the hope of a smaller cut for the IRS.

Passage in Congress of a flat-rate tax, which would cut out most deductions, is not in the cards this year, if ever, say political pundits. The reason: It is more complicated than it appears and raises politically charged issues such as elimination of the write-off of interest on mortgage

More likely is a cut in the 28 percent capital-gains tax, although no one wants to predict when it will happen, "We've been down this road before," commented one expert. "Everyone says. Here comes a change,' and then it evaporates.'

Mr. Fisher gave a 30 percent chance of such a cut happening this year, while Mr. Bhalloo said 1996 was a better bet.

More important, many financial advisers are saying that with the stock markel hitting record highs and the economy slowing, waiting to take profits could lead to selling in a market far below its current levels. Most believe that any capital-gains cut would be retroactive as well.

'Don't let the tail wag the dog," warned Mary Malgoire, a Bethesda, Maryland, fitogether, Mr. Fisher suggests another strat- nancial adviser, referring to taxes and investment strategy, respectively.

But while a capital-gains reduction would make headlines, what should you do about keeping up with other changes in 1995 if you don't have professional as-

For one thing, you can check in with the IRS overseas offices in major foreign capitals, or with U.S. embassies or consulates. Or you can write to the IRS Distribution Center, PO Box 85074, Richmond, Virginia 23261-5074, U.S.A. Ask for Publication 553 (Highlights of 1995 Tax Changes), available sometime next autumnt.

If you are still unprepared for June 15, you can receive a filing extension to August 15 - provided you file Form 4868 by June 15. But remember, as the IRS never fails to remind taxpayers, it is an extension for filing your return, not for paying you

Meanwhile, one piece of legislatioo now working its way through the U.S. House and Senate is being watched closely by international tax lawyers and accountants. Under the proposed "expatriation tax," the Internal Revenue Code would require that on the day an individual gave up U.S. citizenship, he or she would have to pay taxes on the appreciated value of any investments in or out of the United States, above a limit of \$600,000.

It used to be that you gave up your U.S. citizenship and your income overseas was not subject to U.S. taxes," said Sanford Goldberg, an international tax lawyer with Roberts & Holland in New York. "Now, when you leave, the IRS wants to get everything they think they're entitled to — including, but not limited to, a bouse overseas, U.S. stocks, and stock options in your company.



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THE WORLD'S DAILY NEWSPAPER

Americans Are Feeling French Reforms

By Sabine Smith-Vidal and Caroline Sutton-Pélétengeas

ESPITE President Jacques campaign promise to use innovative methods in France's battle against unemployment, his new govemment seems to be studying the same old remedies.

New laws may indeed be enacted. For the moment, however, more relevant for Americans working on France is ultimately resulting in extenlegislation passed in 1994 fo- sive restrictions on the free cusing on temporary assignments for employees of foreign companies that do not bave a legal enuity in France. This legislation is part of a long-standing policy to fight unemployment by limiting the influx of foreign nationals to France.

According to the new laws. foreign companies sending workers to France are now obliged to comply with the same labor laws as domestic employers with regard to hygiene and security at work, minimum wages, duration of work, holidays, work on Sundays, premiums and sick pay. The aint is to avoid a chasm between the treatment of French and foreign employees, the latter often being less protected and lower paid than their French counierparts — and, consequently, more attractive to employers.

The regulations apply to any foreign employer and to any kind of services. Strict control

mecbanisms have even been seems dim, affected by input in place that require the creased charges, stricter immi- intended to benefit the individemployer to report to the gration control, new labor laws ual taxpayer include a family-French Labor Administration and little bope for an income- tax credit of up to \$500 for

But though there is a sound economic basis for these reg-ulations, it is more than likely that foreign companies sending workers to France for very sbort periods of time are liable to encounter serious problems in implementing the regulations. movement of labor.

In a recent general policy speech, Prime Minister Alain Juppé spoke of his wish to reform the income-tax system, alform the income-tax system, although he made no explicit reference to a reduction in taxes.

Given the current state of taxon would further limit po-French finances, a tax cut appears unlikely in the short

Mr. Juppé appears to be favoring an income-tax system that more closely resembles the social-security tax that is withheld by employers. Moreover, France's present sysrem of paying individual income taxes the year following that in which income is earned gives a huge cash-flow boost to first-time taxpayers - particularly foreign employees coming to France for a short-term assignment - to the detriment of the French state finances.

for foreign workers in France planning.

at bome rather than accept an international assignment.

Republican proposals include changes to current capital-gains provisions. Individuals would be allowed to exclude 50 percent of net capital gain from income, effectively cutting their current capital-gain rate of 28 percent in balf. To counterbalance the measure, \$2 of capital loss would be required to offset \$1 tential benefits.

There is also a proposal that the end of the year. would allow home sellers to take a capital loss on the sale of their principal residence. The loss is currently treated as a nondeductible personal loss.

Further legislation that would affect U.S. citizens both at home and abroad is a proposed increase in the unified U.S. estate and gift-tax credit. Currently, tax on the first \$600,000 of estate and lifetime gifts is fully offset by a credit of \$192,800. This credit would be increased over a three-year period to \$248,300, which would Indeed, the short-term future likely boost individual estate

in advance with details of its tax increase.

President activities and the number of Chirac's employees to be sent to States, a series of tax proposals parents with an adjusted gross parents paren resentatives may persuade po-tential U.S. expanriates to stay married in the United States; a new type of savings account giving rise to tax-free distri-butions; an increase in the amount that may be contributed annually to an individual retirement account, and a simplification in the alternative minimum tax, which is particularly relevant for overseas taxpayers affected by foreign taxcredit limitations.

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The proposals must now all pass before the U.S. Senate, whose disposition toward them, say analysts, is far from clear. Some say none of the reforms are likely to be adopted before.

Similarly, in France, analysts: say that any significant tax reforms will prohably be debated for the 1996 budget in December 1995. This gives any potential assignees to France and their employers reasonable breathing space in which to decide whether the French labor. tax and social climate has become too unfavorable.

SABINE SMITH-VIDAL is a lawyer with S.G. Archibald.
CAROLINE SUITON-PELE TENGEAS is a lawyer with. Arthur Andersen International's Executive Services group.

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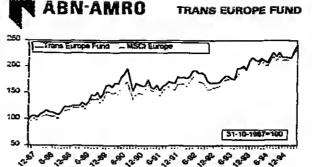
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Performance Focus has been created in comparing the control of the logice our readers investment information on cranionally marketed mutual funds with sistently strong performance figures.

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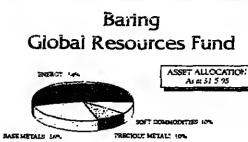
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Inter Strategy Global (USD)

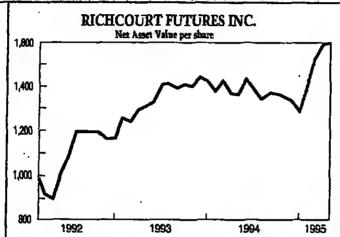
Inter Strategy Global is one of the 10 sub-funds of Inter Strategy, a Luxemburg registered equity umbrella fund launched in late 1989 by Banque Nationale de Paris. BNP is one of Europe's leading banks which today manages over USD 65 billion in assets both in Paris and in its worldwide network of branches and affiliates which are

Spread over 50 courages.

Contrary to the other inter Strategy sub-funds which focus most of the time on one or two specific markets, inter Strategy Global, bunched early 1994, is invested in all major equity markets, i.e. North America, Japan, the United Kingdom, Germany and France. A portion of this sub-fund, which is denominated in USD, is also invested in smaller European markets such as the Benefice and Switzerland and, more recently, in south east Asian markets.

smaller European markets such as the Benelux and Switzerland and, more recently, in south-east Asian markets.

The aim of this broad diversification is to generate a steady appreciation in the net asset value, in line with the IRSCI Woodd Index. Thus, this sub-fund is more particularly targeted on conservative investors who wish to take part in the global equity market via blue chips chosen from all over the world. As can be seen in the above graph, the strategy has been successful as the net asset value has appreciated by 8.4% since the beginning of the year. Indeed, this fund benetifed both from the strong raily of Wall Street during the last six months, and more recently from the raily in European and Hong Kong equities. At the same time, losses on the Tokyo market which plurimeted over the last twelve months, were limited thanks to reasonably sized positions. Furthermore, the broad geographical diversification enabled as to take advantage of the fall in the US-dollar. We for months to come, even if economic growth in Europe and Japan has been hampered so far by the low dollar, We believe that the current slow down in the US economy is only temporery and that an improvement in the US currency can reasonably be expected, hence benefiting interestional equity-markets.

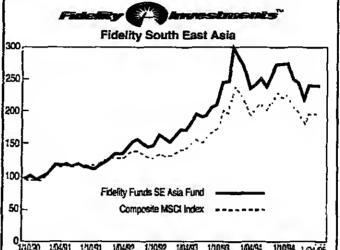


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The fund is quoted in US dollars and is open for subscriptions and redemptions on a montily basis.

Further information can be obtained from the ADMINISTRATOR: Citco Fund Services (Europe) B.V., Strawinskylaan 1637, 1007 JE Amsterdam, The Netherlands, Mr. Niels Heck, Telephone: (31-20) 6769611, Fast (31-20) 6750881.



1/1030 1/0491 1/1091 1/0492 1/1092 1/0493 1/1093 1/0494 1/1094 1/04/95 - Data Source; Micropal Ltd. Nav to Nav, Gross income reinvested Data Source: Datastream, Gross income rea

The Fidelity South East Asia Fund has an excellent track record with above average performance since launch. In fact an investment made just over four years ago would have more than doubled by now. By investing in the emerging markets of the Pacific Basin, the fund has been able to benefit from the outstanding economic growth of this region and following recent volatility many investors are aware that South East Asia could once again provide investment opportunities for long-term strength.

Fidelity was the first foreign fund management group to open an office in Asia in 1969 and now has over \$7 billion under management in Asia alone. Fidelity's South East Asian investment team includes 20 managers and analysts making in excess of 850 company visits and contacts each year searching for the most attractive investment opportunities. For further information please contact one of our representatives on +352 251 351 230.

Scurce of all ligures - Micropal, NAV to NAV, gross income reinvested to 1/5/95.

Asian Selection Fund N.V.

Performance comparison September 1989 - April 1995

Asian Selection Fund N.V. (ASF) was established by MeesPierson

Capital Management in 1989 as an open-end investment fund, to

Japan. The primary objective is long-term capital growth. Shares

corrections of prices far in excess of valuations do not tend in be followed by further weakness once the excesses have been worked

noff. As such, attention should, once again, be focused on the economic environment. Unless the favourable earnings outlook for

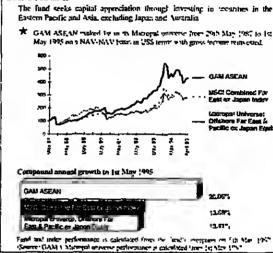
unexpected shocks, share prices can be expected to rebound in 1995.

the coming years is severely damaged or Asia suffers from

ASF, denominated in Dutch guilders, are traded daily on the ASE, denominated in Dutch guiders, are traced daily on t Amsterdam Stock Exchange. 1994 was a difficult year for most Asian markets. However

provide investors with a means of investing in the dynamic economic development of a number of Asian Pacific Rim compries, excluding





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■ The Guinness Flight Global Equity Fund, a Guernseybased distributing fund, aims to achieve capital growth through investing in an international portfulio of equities.

currency management by managing the fund's currency exposure independently to its equity exposure. This seeks to avoid possible erosion of stockmarket gains through exchange rate movements.

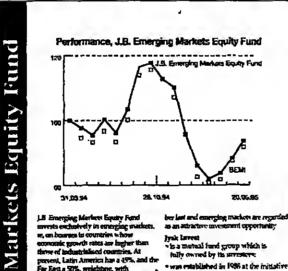
Guinness Flight applies its acknowledged expertise in

■ The fund has outperformed the Morgan Stanley Capital International Index since its launch in January 1985. Since launch performance, Guitness Flight Global Equity Fund in US Dollars 456.2%, MSCI World Index 337.9%

For further information, please contact our Investor Services Department in Guernsey on

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pursent, Latin America has a 45%, and the For East a 50%, weighting, with small share of about 9%.

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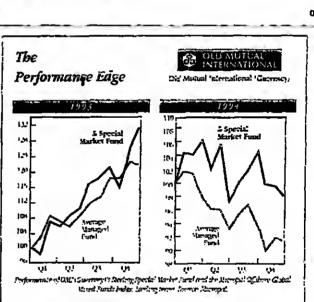
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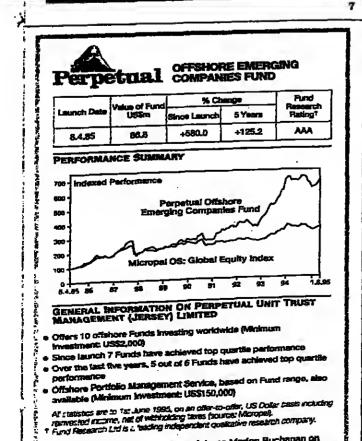
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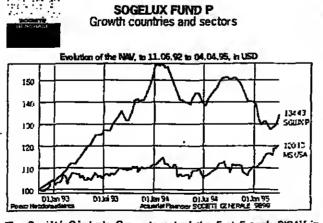
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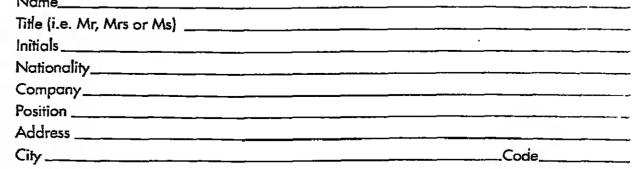
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THE MONEY REPORT

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Where Film Finance... is Less Taxing

empted from the most recent General Agreement on Tariffs and Trade, but taxation systems and financial incentives will continue to play an important role in where feature film pro- country, as a way of encour-Gerrit te Spenke, a partner

their work home with them.

evade taxes.

taxman's reach.

Bahamas to evade taxes.

is little they can do about it."

By Robert C. Siner

banks and financial institutions

to raise capital in the United

States by narrowing the criteria

by which they could be con-

sidered Passive Foreign Invest-

ment Corporations, or PFICs,

with the tax disadvantages that

The new rules, enacted in

early May, have replaced in-

flexible guidelines for the un-

desirable PFIC classification

this status entails.

1

TH-ETTE

美工工作

COLE !

J. TE

By Jain Jenkins

The reason is a recent dawn raid by

German tax officials on the homes of bank

workers that signaled a new crackdown on

people who use offshore bank accounts to

Frustrated by their inability to get records from the Luxembourg offices of

Dresdner Bank, German tax officials dis-

covered that many of the bank's staff drove

20 minutes each day from their homes in

Germany to their office in Luxembourg.

By raiding their homes, they hoped to find

incriminating documents. They came away

with boxes of paperwork.

Now, Dresdner Bank customers face an

uncomfortable wait to discover whether

the seized documents were simply elec-tricity bills or whether they included scraps

of paper with names on them and details of

the accounts they thought were out of the

between tax authorities and the apparently

growing army of people who use offshore

ank accounts in financial centers such as

Luxembourg, the Channel Islands and the

Gillian Copperwheat, a senior manager

for personal taxation at the auditing firm

there has been little concerted action to

catcb people who are avoiding tax through

offshore bank accounts. This might be be-

cause the tax authorities judge that it is a

small problem. Or it might be because there

To be sure, much of the money in off-

shore accounts is perfectly legal. Typi-

cally, people use them to take advantage of

gross interest payments. This gives savers a

cash-flow benefit, since they can pay the

it deducted at the source, as happens in

tax at the end of the year instead of having search the whole parish."

Ernst & Young in London, said that, so far,

The raid opened a new front in the battle

ERMAN investors who have ac-

counts with Dresdner Bank in

Luxembourg are praying that the

bank's staff members do not take

with international tax consultants KPMG, writes in the firm's World Tax News that while Culture may have been ex- some countries, such as France, use tax policy mainly as a means Of protecting their domestic film industry, others, such as Ireland, use tax incentives to bring international film crews into the aging local filmmakers.
He also mentions countries

Offshore Accounts Haunt the Taxman

The other advantage is that offshore

accounts allow expatriates who move reg-

ularly from country to country to exploit

loopholes in different taxation regimes

around the world. Indeed, there are many

methods that most good international ac-

countants and tax specialists would be able

to suggest that are perfectly legal.

One example might be that of a French

national living in Britain who would not

have to pay tax on his savings if he moved

his money to an offshore account. He

would avoid French tax, which would only

be due on income earned in France. But be

would also avoid British tax, due only on

However, some banking analysts say

that for every person who is legally using

an offshore bank account, there is someone

who is cheating. Some analysts go so far as

to say that most of the growth in offshore

bank deposits is due to those evading taxes.

Other sources say that there is only a re-

The way in which an estimated 100

billion Deutsche marks (\$71 billion) flood-

ed across the border from Germany to

Luxembourg when the Bonn government

introduced a withholding tax two years ago

showed the lengths to which people will go

to avoid tax. It forced the German tax

In January, tax officials raided 11

branches of Hypo Capital Management,

owned by the Bayerische Hypotheken- und

Wechsel-Bank AG, looking for evidence

that its customers were using Luxembourg

accounts to avoid withholding tax. They

were right, finding evidence that about 200

depositors had not declared tax on Lux-

the move, Martin Kolsch, a senior ex-

ecutive at Hypo Capital Management, said:

'Our view is that these events are difficult

to justify or understand. If the church col-

lection goes missing, you cannot place the

whole congregation under suspicion and

Bankers in Germany were outraged by

embourg interest payments.

mote chance of being caught.

authorities to act.

still be unfairly included under the new PFIC rules.

defined as any foreign corpo-

ration that derives 75 percent or

more of its income from passive

investments, or whose passive

assets represent at least half of

its total assets. Examples of

The 1986 law made investors

passive income include inter-

est, dividends and rents.

Under a 1986 law, a PFIC is

interest earned in the United Kingdom.

many domestic bank accounts.

where individuals can claim rather than amortized over the some nice tax breaks for helping finance a film. Spain, for example, has dou-

hled to 10 percent the maximum tax credit for investment in film production. The limit on tax credits for investment in fixed assets for film production was also increased, to 35 percent. Germany allows production costs to be deducted currently,

useful life of the film. This means that individual investors can take their deduction immediately, rather than waiting until the film is released months or

The Money Report is edited by Martin Baker

a media event to warn people that tax au-

thorities were taking the issue seriously.

Television cameras and newspapers, having

been tipped off by the police, were already

on the scene at a Munich branch in the early

Some analysts say the heavy-handed ap-

proach of the German tax authorines is

understandable because their only chance

of catching tax cheats is by finding evidence of cash leaving the country. Once

the money is offshore, there is virtually oo

bope of tracing it. Moreover, offshore bank-

ing centers know that they live or die by

their banking secrecy policies and are under

no obligation, legal or otherwise, to co-

operate with foreign revenue authorities.

Fortunately for tax officials, many tax cheats have been so confident of getting

away with illicit activities that they have

simply transferred money from their do-mestic bank accounts to offshore branches.

Others have taken suitcases of cash to

offshore centers. Either way, the actual

transfer or withdrawal of money leaves

traces in domestic banks which the taxman

caught offenders bas been by detecting offshore money being brought back into the home country. But this window of

withdraw money from automated teller

your account with us from anywhere in the

world," said Matthew Sutton, marketing

manager at TSB Bank in Jersey. "We make an administrative charge of 4.25 per-

cent for each withdrawal but our customers

are happy to pay this to get easy access to

So far, few governments have been will-

ing to follow the German lead in cracking

down on offshore account holders, inves-

tigating only those they believe are avoid-

ing exceptionally large sums of tax. How-

ever, the authorities may be encouraged to

become more active if money in offshore

'You can draw money straight from

Another way in which authorities have

can see in bank records.

their offshore money.

hours of the morning to record the raid.

The Complex Ways of Expatriate Wills

By Aline Sullivan

S an exile in France, Oscar Wilde famously lamented that he would have to die beyond his means.

Expatriates who have fewer debis, however, or even money to leave behind, must negotiate a legal thicket to be sure that their estates will be distributed as they see fit.

Individuals with assets in more than one country are often shocked by the disparity in inheritance laws. The starkest divide falls between Anglo-Saxon, common-law countries, and those where the law is based on religion or the Napoleonic

Britain, the United States and other common-law countries have a probate system where inheritance is often decided by the courts, a process that can take years if a will is absent or controversial and that often proves very expensive. In many other countries, disposal of a will is usually speedier and laws are more specific as to who can be a beneficiary and to what extent

"There is a wall of ignorance about these differences," said Joe Field, a partner at Bryan Cave in London, a branch of the St. Louis-based law firm, "People from probate countries assume that their wills will prevail. And people from other countries are shocked wheo their property in Anglo-Saxon countries ends up in court."

A will or, better yet, a comopportunity has been closed by offsbore bination of a trust and a will, accounts offering a card that can be used to can help prevent acrimonious settlements in both legal systems. According to Mr. Field, expatriates everywhere with assets of \$100,000 or more should

place the assets in a trust. Unlike wills, trusts are oot subject to probate in commonlaw countries. Trusts can also aid beneficiaries in avoiding inheritance taxes. But because anything not included in a trust is automatically excluded, further assets should be covered under a will that contains a residual clause, Mr. Field said.

Analysts say that although it is possible to draw up a trust or will using a computer program,

of heartache laier. In theory, individual concerned. In practice, however, there are often disputes about the validity of

Marc Joben, a lawyer in Paris, said he had seen a number of cases recently where a foreign will had been disputed in French courts, "French law requires a will to be handwrinen and signed by the person making out the will," he said. "American law requires it to be typed and signed by two witnesses. Sometimes these wills

suggest that individuals draw up a will in each country where they hold substannal assets. But this approach can become messy and expensive when the assets are changed or moved. And the problems do not stop

For this reason, some lawyers

don't work in France.

case where a resident of France wills and trusts are recognized with properties in both France in most countries if they are and Britain had drawn up sepvalid in the home country of the arate wills in each country without taking the countries' different tax systems into account.

The English beneficiaries hadn'ı realized that they would have to pay taxes on the French property after they inherited he said. Because British property is taxed before it is disbursed, the beneficiaries were "all senled" as far as the Inland Revenue, Britain's tax authority, was concerned. "But they were being chased by the French authorities because France taxes the beneficiaries

rather than the assets unless the will stipulates otherwise." The simplest approach, according to Frank O'Shay, a partner at Maxwell Batley, a London law firm, is for individuals with properties in other countries to return to their country of domicile and draw happening," he added, refer-

cal specialists in the other countries, he said.

Of course, even a will in good order will not override local laws in most cases. Laws in Continental Europe and the Middle East often stipulate the proportion of an inheritance that should be received by each relative and tend to favor the children. Common-law coun-

tries tend to favor the spouse. But wills and trusts can allow individuals with families that span borders to favor some relatives over others and also to benefit non-relatives. They can also prevent tax problems that would otherwise plague the beneficiaries, lawyers say.

"An Englishwoman married to an American living abroad may find that she is not exempt from inheritance tax although an American spouse would have been," said Mr. O'Shay. "Only a Qualifying Domestic Trust would prevent this from there. Colin Masters, a partner country of domicile and draw happening," he added, rat the London law firm Clyde & up a will there. They, or their ring to a type of U.S. trust.

Clouds Gather Over Trusts

By Barbara Wall

The proposals, if enacted,

"Virtually all trusts estab-

eficiaries would be significant.

According to Mr. Marcovici, an average trust has around \$1.5 million worth of assets, endistributions in the region of yearly share of the trust dis- devices." tributions.

provide details of the trust's activities to the IRS, trustees would be required to provide separate schedules for income

Mr. Marcovici said the pro-

Although APTs are gener-

Paul Hauser, a tax lawyer

Under the proposals, al-In order to help enforce the though the U.S. government distributions was sure to benew rules, the U.S. Treasury would not sanction foreign come law. But he said be doubthas proposed a series of mea-trustees for non-compliance ed that the proposed new dis-

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for any U.S. beneficiary or grantor of any activity within the trust. Failure to pay the taxes due after notification by the monthly penalty of \$10,000.

A U.S. Treasury source said the department believed there was as much as \$100 billion in foreign grantor trusts, funding \$10 billion in untaxed transfers to U.S. citizens. The department has also estimated that tax revenue from inbound foreign trusts, or trusts with U.S. beneficiaries, and outbound foreign trusts, or those with U.S. grantors, would amount to around \$2.5 billion in the fiscal

Some analysts say that the fact that trust advisers have already come up with ways of restructuring inbound trusts to maintain their tax effectiveness These trusts are essentially calls into question the accuracy of the Treasury's revenue fore-

> 'Inbound trusts can be struc-' said Mr. Marcovici. "Alternatively, a mechanism can be put in place which ensures that the trust does not make the

Mr. Marcovici said the cost

Mr. Hauser said he believed

■OREIGN trusts with U.S. beneficiaries may have to be restructured to conform with new tax proposals introduced by the Clinton administration earlier this year.

would affect hundreds of socalled grantor trusts that have been set up by international families for relatives residing in the United States,

lished by oon-U.S. people for the benefit of family members who are U.S. citizens or residents have been structured as grantor trusts because, under a previously issued ruling, distributions from such trusts are free of U.S. income tax." said Philip Marcovici, a tax lawyer in Zurich with the international law firm Baker & McKenzie.

The new proposals would put an end to this tax concession and treat distributions from foreign trusts as ordinary income. The consequences for U.S. ben-

sures to tighten reporting re-quirements. In addition to ap-would be given full powers to applied.

pointing a U.S.-based agent to determine the tax consequences attributable to U.S. beneficia- IRS would result in a running

posed new reporting requirements were intended also to improve the transparency of socalled asset-protection trusts, or APTs, established by U.S.based grantors.

ally set up to protect the grantor's assets from unwelcome claimants, the Treasury suspects that many such trusts are being used to avoid paying tax, Mr. Marcovici said,

with the firm Bryan Cave in London, said the U.S. administration had other reasons for targeting APTs.

tax-neutral, so it is unlikely that they will generate much in the way of revenue for the U.S. Treasury," he said. "On the face of it, the authorities are using the lax rules to close makes a tax-free gift of the dowo a possible tax-avoidance money to the U.S. beneficiadevice.

"However," added Mr. Hauser, "they are probably abling the beneficiary to rea- more concerned that the trusts sonably expect yearly income can be used to shelter assets kind of distributions that attract from creditors in the event of tax. \$100,000. If the beneficiary's the senior being declared tax rate were 40 percent, the bankrupt. There is also a fear of restructuring a typical in-U.S. Internal Revenue Service that some trusts are being em-bound foreign trust would be would get around \$40,000 as its ployed as money-laundering

year 2000.

tured so that the foreign settlor takes the distributions and

Padraig Flynn

'insignificant'

that the proposed tax on income



However, Richard Ander- or not. In other words, if a fi- foreign banks, financial insti- original rules, they were lacksen, a tax partner in the law firm nancial institution earned \$1 tutions and securines dealers ing in two important respects. Jones, Day, Reavis & Pogue in million in interest and other that are licensed to practice in He said there was no definition cauce Service regula. New York, said that some for-tions should make it eign financial institutions could paid out \$750,000 to its in-the United States.

of a "deposit" anywhere in the IRS regulations and, more imvestors, those investors would still be liable for taxes on the their shares of the entire \$1 mil-

As a result, foreign corporations that were designated as PFICs found it difficult to attract U.S. investors or lo raise capital in the United States.

The raid of Hypo branches was staged as centers continues to swell.

The IRS Is Making Life Easier for Foreign Banks

The 1986 law exempted foreign banks and securities dealers that were licensed in the in PFICs liable for taxes on all United States from being claswith more general rules subject income of the corporation sified as PFICs. The new reg-

The old laws mandated that

whether it was paid out to them ulations deal with the status of great improvement over the

companies falling into the es-tablished financial criteria be ask for a special ruling under classified as PFICs. However, extraordinary circumstances. the IRS did allow some instiapply for special exemptions on the grounds that they operated essentially as banks. The new rules involve de-

posit levels and lending behavior at foreign institutions. Formerly, in order to avoid

PFIC status, deposits had to represent at least 50 percent of the total liabilities of the bank. The new rule requires only that deposits be "substantial." The new rules also narrow

some of the standards for foreign securities dealers oot licensed in the United States, specifically those dealing with capital deposits required by the law of the dealers' bome coun-

Under these laws, dealers are prohibited from paying out too much of their earnings. If the percentage of payouts runs high enough, they could be classified as PFICs with all of the problems presented by that des-

the new regulations were a ness.

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portant, that there was no pro-

But an IRS spokesman said tutions meeting the definition to the agency considered a definition of "deposit" unnecessary. He said a body of law had developed over the years that enabled a tax pracritioner to determine whether any given financial instrument constituted a deposit. He said tax attorneys had been making that determination for years without requesting a definition and that he saw oo reason why the practice should not continue. The spokesman agreed with

Mr. Andersen that the IRS would actively discourage applications for special rulings but said that the new rules, by their flexibility, should all but eliminate the need for them.

Under the old lending guidelines, loans to clients had to comprise more than 50 percent of the foreign corporation's loan portfolio to qualify for exclusion from PFIC status.

Under the new rules, the bank can be excluded if it makes loans to customers "in Mr. Andersen said that while the ordinary course of its busi-



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The Associated Press

CHICAGO - For three games, the Chicago Blackhawks scored first. They lost to the Detroit Red Wings, anyway.

They scored first again on Thursday night, but this time they followed through with a 5-2 victory to remain alive in the Western Conference finals.

"Getting the first goal doesn't mean a great deal," the Blackhawks' Murray Craven said, "unless you follow it with another

After Denis Savard scored, so did Joe Murphy. Then Dirk Graham scored, and

NHL PLAYOFFS

go overwhelmed an opponent that seemed

The desperate Blackhawks thus forced a

better Sunday."

on 10 shots before getting an early shower. "This was a great opportunity and we

just let it slip away," he said.
In the first period, the Red Wings allowed three goals and failed to score on four power

plays. After that, they stopped trying.

The Red Wings, seeking their first trip
to the Stanley Cup finals since 1966, were
playing without Sergei Fedorov — the league MVP last year and this year's sec-

The Blackhawks played most of the game without their own All-Star center, Jeremy Roenick, who left in the first peri-

ry, couldn't help the Red Wings finish off



Reds' Comeback Continues, So Do Injuries,

After a 1-8 start and injuries to key players, the Cincinnati Reds are finding

ways around their problems. They rallied to defeat the Houston Astros, 6-3, on Thursday night, bringing their record to 25-14, even with Philadelphia for

the best record in the National League. But problems continue. Barry Larkin, the Reds' shortstop and the league's fourth-ranking hitter at .353, was hit on the right hand by a Darryl Kile pitch in the third inning. X-rays were negative, but Larkin received three stitches to close a cut

on his thumb. The Reds listed him as day-

to-day. "It was a huge scare," the Reds manager, Davey Johnson, said. "I was afraid he'd come up with a fracture, but it looks like it's just a few stitches and a bad bruise. It

might be up to a week." Cincinnati already has overcome inju-

ries to outfielders Ron Gant and Deion Sanders and starter Jose Rijo.
The Reds were trailing 3-2 when they

scored three runs in the top of the seventh. Lenny Harris, who replaced Larkin, ued it with a run-scoring single and Hai Morris made it 4-3 with a sacrifice fly. Gant drove in the final run with a single.

Tim Pugh, who hasn't lost since May 27, 1994, allowed six hits and three runs in six

The Astros got all their runs in the

NL ROUNDUP

second, two scoring on a double by Kile, who has lost four straight. Mets 9, Giants 6: The Mets came up

with seven runs in the top of the first, their higgest inning of the season, and earned a split in the four-game series. New York sent 11 men to the plate, and Brett Butler walked and scored, then drove in two runs

with an infield single.

Dave Mlicki went a career-best 71/2 innings, allowing five runs on eight hits, including homers to Barry Bonds and

Trevor Wilson's ERA swelled to 3.80 from 2.68 as he walked Butler to start the from 2.68 as he walked Butler to start the game and then gave up three straight hits.

Markins 7, Pirates 3: Kurt Abbott and Markins 7, Pirates 3: Kurt Abbott and Greg Colbrunn, both recently benched, while in hitting slumps, each went 3-for-e with a homer as the Marlins got their first three game winning streak of the season.

Abbott, who homered in the second had a two-run single to cap a three-run third that gave Florida a 5-3 lead. Colbruna hir his second homer in as many games, a two-run shot in the fifth, to make it 7-3.

Rugby

Thomas

his second homer in as many games, a tworun shot in the fifth, to make it 7-3.

Rockies 5, Cubs 3: Vinny Castilla continued his hot run, stretching his hittingstreak to seven games, with eight runs'
scored and eight RBIs in that span; his
two-run double in the first started the
Rockies to their seventh win in their last,
eight cames.

eight games.

Kevin Ritz tied the Rockies' record and matched his career high with nine strike.

Jason Bates homered for Colorado. while Rick Wilkins hit one for the Citie

Indians Rally Late Again to Top Brewers The Associated Press At 28-10, the Indians have It was another late-inning drama for the Cleveland Indians, who rallied for four pure in a feer seven in a rare appearance. At 28-10, the Indians have Rangers 10, Royals 9: After fore striking out. Greer's homen was his fifth of the season, and three have won games.

ans, who rallied for four runs in the top of the ninth to beat the Milwaukee Brewers, 8-7.

Jim Thome's two-run homer capped the comeback Thursday night, the 11th time this season the Indians have won in their last at-bat. Overall, Cleveland has won six in a row and 11 of

"It doesn't constantly amaze me. We do what we're capable of doing," said the Indians manager, Mike Hargrove, who was ejected in the ninth for arguing balls and strikes.

"We feel if we can get the winning or tying rum to the plate often enough good things are going to happen, because we do swing the bat," he said.

after seven innings.

"We just have a lot of guys" who can hit the ball out of the park in the late innings," Tho-The Indians were down 6-4 in

AL ROUNDUP

the ninth when Omar Vizouel and Carlos Baerga singled off Graeme Lloyd, and Belle tied it with a two-run double.

Bill Wegman relieved and retired Eddie Murray on a fly ball, but gave up a 425-foot home run to Thome.

"We went from looking real good to looking real bad," the Brewers manager Phil Garner

Billy Brewer. The Rangers over-came an 8-1 deficit after seven

Benji Gil's two-run homer in the minth off Kansas City relief ace Jeff Montgomery tied it at 9. Later in the inning, with the bases loaded and two outs, Tewksbury batted for pitcher Matt Whiteside. The Rangers had lost their designated hitter spot because of lineup changes and were out of position play-

Tewksbury, a .154 batter in the league, pulled a line drive foul down the left-field line be-

ance at the plate, Rusty Greer made sure for Texas.

Greer led off the bottom of the 10th with a home run off Billy Progree The Pangers over minutes — featured a benchclearing brawl at Fenway Park! California rallied for a 9-8

lead in the eighth on errors by shortstop John Valeatin and third baseman Tim Nachring In the seventh, Tony Philips and the Boston catcher, Mike Macfarlane, began arguing after a called strike. They began grap pling, and both were ejected.

Lee Smith tied Doug James major league mark with saves in 15 straight appearances.

Athletics 8, Yankees-3c-Ruben Sierra hit two solo-home. runs and Geronimo Berrowhad a two-run homer as Oakland won in New York

The Yankees lost their 13th in 16 games. Don Marilight whose nine Gold Glover site a record for an AL first besenter made two errors in an immos for the first time in the custor misplaying a past of promiders

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off the first inning with home runs, sending Baltimore past visiting Scattle. Jeff Manto hit a pair of two-

run homers for the Orioles and Cal Ripken also connected.

hits in eight innings. Salomon Torres allowed five hits, four of them home runs, in his first league start.

Twins 9, Tigers 2: Scott Lesus, Pedro Munoz and Rich

Kevin Tapani, who shut out Texas in his last start, pitched eight innings and allowed two runs, both of them unearned. He struck out seven, and extended his streak of consecutive innings without a walk to

Leius also doubled and singled against Mike Moore. . .

Savard and Murphy scored again as Chica-

"Obviously, we're emharrassed with our performance," Keith Primeau of the Red Wings said, "We've got to play 100 times

Detroit goaltender Mike Vernon, aban-doned hy his defense, allowed four goals

ond-leading playoff scorer - who hurt his left shoulder and chest late in Game 3.

od after twisting his left knee. Detroit's captain, Steve Yzerman, hack after a three-game layoff with a knee inju-

Joe Murphy, right, and Tony Amonte celebrating one of Murphy's two goals for Chicago against the Red Wings in Game 4 of the Western Conference final.

SCOREBOARD

Major League Standings AMERICAN LEAGUE .737 .524 .447 .405 .300 .506 .390 .368 .575 .561 .500

Thursday's Line Scores

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L—J. McDowell, 1-4, HRS—Ockland, Berroa
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sino, 5-3. L.—Torres, 0-2. HRS.—Seattle, E. Mar-linez (7). Battlinere, Anderson (7). Bass 121. Ripken (5). Manto 2 16. California 400 216 921—10 18 1 Penz (7). Net (7) and C. Johnson, W.—Matth-ews, 1-6, L.—Wagner, 1-6. HRS.—Florida, Calews. 1-0, L.—Wagner, 1-0, 1-bruan (5), K. Abbott (5). Cincinnati egg o

Cincinacti 602 000 316—4 7 6
Houston 028 000 606—3 6 6
Pugh, Corrosco (7), Brantley (9) and Toubensee: Kile, To. Jones (7), P.A. Martinez (*), Dougherty (*) and Eusebia, W—Pugh, 4-0, 1.—Kile, 1-5, Sv—J. Brantley (4).

NHL Playoffs

WOMEN'S WORLD CUP

International Challenge Tourna At Lands, East

French Open Results WOMEN'S DOUBLES, SEMIFINALS

Jona Nevetra, Czech Resublic, and Arantxa Sanchez Vicaria (1), Spoln, det. Ni-Gial Fernandez, U.S. and Natosha Zverevo (3), Belarus del, Patty Fendic Fernandez (5), U.S., 6-2 6-1.

duct), 14:25: Errey, Det (roughing), 17:24.
Third Period—6, Detroth, Draper 4, 4:29, 7, Detroth, Shepsand 4 (Rouse), 10:25, Penalties—Primeau. Det. mojor-game misconduct (high-sticking), 13:35: Severd, Chi (stashing), 4:16: Olduck, Chi (roughing), 13:14: Nichalis, Chi (high-sticking), 12:35: Errey, Det. minormisconduct (stashing), 12:36: Errey, Det. minormisconduct (stashing), 12:36: Errey, Det. minormisconduct (stashing), 12:30: Baselian, 12:26: Realth Mark Lee, pitchers, from Rochesters and generating det. Chicogo 8-10-5-24 Power-stay Opporhabites—Detroit 0 45: Chicogo 10-59. Geniles—Detroit, Vermon 11-2 (18 shots-6 soves), Osgood (4:08 second, 7), tron 15-day disobled list, Designated Wes

10-6—24 Power-stay Opportunities—Detroit 8 of 6; Chicosa I of 9. Goalles—Detroit, Vernon 11-2 (10 Shots-6 soves). Osgood (4:08 second, 14-13). Chicosa, Beltour 9-6 (22-31). er, from 15-day disabled list. Designated Wes Chamberfaln, autileider, for assignment. CALIFORNIA—Recoiled Russ Springer, pitcher, Irom Vancouver, PCL Optioned Kan Edenfield, pitcher, to Vancouver. denfield, sitcher, to Vancouver. KANSAS CITY—Staned Carlos Beltron and

pricher and Brett Schaffer, Infletter auffleider. MINNESOTA—Signed Chuck Knoblauch, second besemen, to 1-year contract. Acquired John Courtright, pitcher, from Cinchnati tioned Courtright to Sell Lake, PCL NEW YORK-Optioned Joe Aus

er, Robert Eenhoorn, Irriteleer, to Custrous IL. Activated Josles Monssahlik, pitcher. Agreed to terms with John Wetteland, pitcher. on 1-year controct. Activated Tony Fernan-dez, shortsop, from 15-day disobled list. Re-leased Kervin Eister, Irritelder. OAKLAND—Signed Terrance Costelle, Ryon Kjos and Kevin Miedlik, pitchers) and Jeffrey Davanon, autifielder-second baseman. ond assigned them to to Southern Oreson, NWL, Signed Thomas Knickerbocker, pitch-er, and Jaco Johnson, outfletder, and assigned hem to Scottadole, Artzono Leasue,

them to Scottsdele Artzono League.

8EATTLE—Signed Duam Johnson and
Chadwick Shetter, shortsloos: Brunden Negowaki and Todd Niemeler, pitchers, and Ernest Toibert, autifielder, Assigned Johnson.
Negowski and Toibert to Peorio, MWL, and
Shetter and Niemeler to Everett, HWL.
Piccad Joy Butner, autifielder, and Luis Soho,
Infleider, an 15-day Risabled Itst, Called up
Gree Pirkl, Infleider, and Alex Rochiguez,
shertstee, from Tocomo, PCL.

National Leave
ATLANTA—Stance Keith Deusterty, Italia
basemon; Zochery Hines, shortster; Ben Wycotcher; Philip Smith and Watson Ellison,
suffishers; Matthew Taylor, shortstor; and
Ariel Coton, first basemon, Styned Ben
Foerier, Andrew Cochrone, Kevin Loews and
Jenamy McMullen, prichers, and Mille Mahoney, cotcher, Assignad McMullen in Eu-Jersitry McAdulett, Informatic and Make Mahoney, Corticer, Assigned McAkulten to Eu-pena, NWL, and Motoney, Cochrone and Lower to Daville, Aspectation League, CHICAGO—Signed David Gordon, catch-er; Darmis Bolr, Rufael Cortoles, Kyle Farasworth, Brandon Hommock, Mothew Hom-mons, Ronald Licclards, Robert Markey, John Michaes, Tim Mesley, Robert Ricketts, Jastin Swier, and Krisbeer Stading, pitcheric Briga Coney, Tom Maleski, Ashorif McDonold, Mi-chael Peruz, Richard Pressley, and Junies Promo, Introducts's Good Kryth Bearmy, Jose Co-Jonn, Rorards Green, Terry Joseph, Donajd Kin-nie, Ryan Seldel and Dorian Speed, outfielders. CINCINNAT i—Optioned Johanny Ryfflin, pitcher, Dave McCarry, first bosman, and Eric Owers, Infielder, to Indianapolis, AA.

Owens, Infielder, to Indi ated Eric Anthony, outfle 5-day disabled list.

COLORADO—Placed Bill Swiff, pitcher, on

15-day disabled list, retroactive to May 28. Recalled Lance Palater, pitcher, from Colo-rudo Soriasa, PCL. FLORIDA—Activated Pot Ross, pitcher, b. pitcher, to Charlotte, IL. Signed Antho Enard, Robert Politikarpe, Jerra Riggan, C

HOUSTON—Agreed to terms with Crola Shipley, infletier, an 1-year contract. Placed Andy Stanklewicz, infletier, on 15-day dischied list, retrouctive to May 29, Boucht contract of Miles Brushley, Infletier-outfletier, from Tucson, PCL.

MONTREAL—Agreed to terms with Mobies Alou, entitletier, or 1-year contract, NEW YORK—Traded David Sasol, Smit baseman-outfletier, to Montract for Reid Cornelles, actions, Asstened Cornelles, 10 Norfolk, IL.

pitcher, Assigned Cornellus to Norfolk, IL. Wolved Josics Macrostile, Pilcher, Receiled Pule Wolfer, pitcher, from Norfolk, Rehumad Kevin Hortfung, outfielder, in Montreal, Sjaned Grant Roberts, Jeff Howalt, Nelson Figurera, Mark Pleski and Tim Tessager, Inffelders: Paus Yuder, Seek Gill and Ryon Marriado, addikid-es: and Robert Marting, cold-likid-es: and Robert Marting, colorer, PHILADELPHIA—Skined Marian Anderson Marting Laborators and Leasurery Inffe

Son, second between an Just's borroon, third businesses (Krik Plance, Chris Studicund Chortes Code, calchers, Marrix Royror, shortstop; Joseffen Conwelles, Todd Crone and David Robbisson, our-Conspies, and Brian Ford, Gory Ywose, Kyle Rowebste, William Noone and Robert Galke, pitchers, and assigned them to Bakevia, NY-PL, Signed Wolft Bucides and Clyde Livinsains, catchers; Kayla Heater, and Zachary Ellipti, second basemee; Richard C'Comer, shortsluc;

ST. LOUIS-Signed Chris Sabe, third base-

Santore, Stenon Slevens, Gabe Gonzolei, Travis Burgus and Michael Duvell, pitchens; Mad Erwin and Robert Hernandez, cutchers; and Josen Shanaton, Jason Garrett and Jo-seph Punare, inflations.

in the seventh.

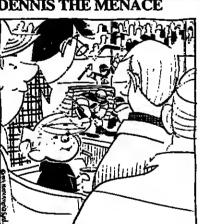
Jack McDowell last despite striking out II in seven in milities.

Orioles 8, Manners 2: Brady Anderson and Kevin Bass lei

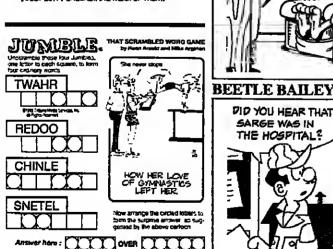
Mike Mussina gave up five

playing at home.

DENNIS THE MENACE



"My Dad and me do *lots* of things together." I just don't understand most of them."



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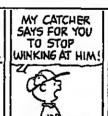
COMING UP NEXT.

DID YOU HEAR THAT

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ADVANCED DRAPE

CLAWING TECHNIQUES







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BUT NOT TOO QUICKLY" CARDS?

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terference], :18; Smith, Chi (slashing), 8:19; Savard, Chi (slashing), 12:01; Murphy, Chi

Second Period—4, Chicogo, Savard 6 (Chellos), 4:08-5, Chicogo, Murphy 9 (Savard, Chellos), 18:03 (so). Penalties—Primeou, Det (roughing), 6:07; Primeou, Det (goolle Inter-

terence), 9;18: Errey, Det (roughins), 11:13: Konstantinov, Det /unsportsmonttke con-

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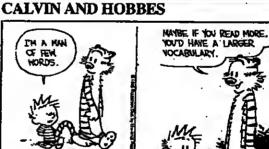
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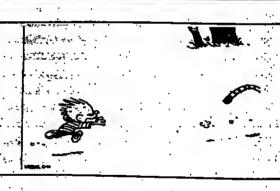






WHAT'S THE ATTRACTION

HERE ?



INFORMATION

THE FAR SIDE

WIZARD of ID



"Hey, That. ... Did you know you move

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(Reuters)

Herald Eribune **SPORTS**

SATURDAY-SUNDAY, JUNE 10-11, 1995

PAGE 21

Familiar Foes Take Sides In Rugby Quarterfinals

CAPE TOWN — It may be the finest match of the Rugby World Cup, and even then it might not really matter. Australia and England were cup finalists four years ago. They meet in a quarterfinal here Sunday to decide which of the old names will earn one more go, and which will be sent bome for good, in world championship terms at least.

The Aussies, winners by 12-6 in the 1991 final at Wembley (their most-recent meeting), have been talking up the prospect of a fast, exciting match, but it seems as if they've been

trying to convince themselves.

There are some very exciting players on both sides and I think it would be rather remiss of either

side to allow them to be left out of the game
Thomsen

for any length of time," said the Australia captain, Michael Lynagh. "You can draw your own conclusions from that as to what we will be trying to do. My philosophy has always been that you get most points for scoring a try and that seems to be the aim of the game. We'll be trying to do that with players like David Campese, Jason Little and Tim Horan."

If Campese scores a try, it will be his first of the tournament. The mere presence of Horan one of two changes from the team upset by South Africa in the opener two weeks are -is inspiring, but it is not at all certain he can return to his world-best form in just his third appearance for his country since a debilitating. knee injury last year.

Australia needs to break loose for reasons of confidence. While the England coach, Jack Rowell, has been promising a more expansive game, his team has been reverting to old, stodgy ways. The speedy center Jeremy Guscott hasn't made a peep, and almost was dropped for this weekend. Yet the idea that England cannot win on the basis of field position and Rob Andrew's kicking has probably dissipated in view of Australia's recent trouhles. Suddenly, the English way may be the best hope for beating the favored Wallabies: pin them down, frustrate them, and hope they wallow in the belief that their best days are

Campese at last started acting like himself again, breaking his self-imposed public silence by accusing England of boring play, just as he did four years ago.

other night, and it really frustrates me when and scrum-half Aubin Hueber. you just see 27 points or whatever from penalty goals," he said. "I can't see how people enjoy it. Rory Underwood's a great talent, so is Jeremy Guscott, but they would rather kick goals than score tries."

said about it."

51 Once more or no

53 Common side

55 Waiting period, seemingly

56 Captain Bligh

Easton Ellis

58 Moon

61 "Old

59 Novelist -

52 Lick

Told that the England hooker Brian Moore would be retiring after the World Cup, Campese said: "Good."

Carling refused to be drawn by Campese's statements, but he did express confidence despite England's winless record against Austrahia away from Twickenham.

"I believe if we achieve what we can achieve, we'll beat them," Carling said. "We had too much respect for them in 1991. Now there's the knowledge that we have beaten southern bemisphere sides recently, while in 1991 we hadn't,

The tenor of the game might mean more than the identity of the winner. Will one side emerge feeling better about itself? For lurking ahead in the semifinals, casting its shadow over Newlands, will probably be New Zealand and the unfettered legs of winger Jonah Lomu.

Scotland has issued its warning for the quarterfinal Sunday afternoon in Pretoria. "I have a feeling there's going to be one or two upsets," said the 33-year-old captain, Gavin Hastings, who has said he will retire internationally with Scotland's next loss.

"The promise of this Scotland side has still to be fulfilled," he said. "I don't think there has been an outstanding team in the World Cup so far, and not too many sides in the last eight have shown their true form up to now. The All Blacks have and Scotland have come quite close, though we should have won on Satur-

Scotland was sentenced to this match by the last play of its last group game, the famous, furious try by France. A Scotland victory now, after the sorrow of the previous weekend (coupled with New Zealand's 145-17 whacking of Japan), would probably amount to the biggest upset in the World Cup's short history. The Scots have never beaten New Zealand in 17 meetings. Their only advantage would seem to be uniforms - Scotland won the coin toss, forcing the All Blacks to wear all white.

France and South Africa will also be expectto move firmly through their quarterfinals on Samrday. France plays Ireland in humid Durban; the French, at their ehb last winter following defeats by England and Scotland, still managed to beat Ireland, 25-7, in Dublin. They haven't lost to the Irish since 1983.

Phillippe Benetton and Gny Accoceberry, I four years ago.

who suffered broken arms against Scotland,
We watched England versus Scotland the have been replaced by No. 8 Marc Cecillon

South Africa, following an embarrassing week of national overreaction to the suspension of James Dalton for brawling, should regather itself against Western Samoa before the largest crowd of the tournament in Johan-He also accused the England captain, Will nesburg. The Springboks throttled Samoa by Carling, of deliberately trodding on him dur- 60-8 in the same Ellis Park just two months in the 1001 for the 1001 ing the 1991 final. "If you watch that tape, ago. The audience will undoubtedly make a when I knocked the hall down and dived on it, great show of greeting Chester Williams, re-Carling comes over and treads on me," Cam-turned from a hamstring injury, as the first rese said. "Just have a look. Nothing's been black man to represent South Africa in the World Cup.



Thomas Muster on his way to defeating Yevgeni Kafelnikov on Friday.

Pierce Seeks to Ban Autobiography

PARIS - Mary Pierce has had a change of heart. Instead of taking her new autobiography on the traditional book tour, the tennis star has appealed to a French judge to han its publication.

With a decision still pending, "Mary Pierce: My Life On Court, Off Court" quietly made its way into French bookstores earlier this month. Written in the first person with the help of a ghost writer, Gilles Lothe, the book is a rosy

romp through Pierce's 20 years. There are no real revelations. Mary pealed.

remains tight-lipped on her decision to cut off her father, Jim Pierce, after years of physical and mental ahuse.

Lothe said the book was meant simply "to paint a pleasant portrait of Mary for her fans." Which is why Editions Michel Lafon was stunned when Pierce filed

suit to block publication. The suit cites only two passages one about Mary's hearty appetite; the other, her predilection for Harley-Davidson motorcycles.

against Lafon, but the Pierces have ap-

Chang Faces Muster In French Open Final

By Christopher Clarey Special to the Nevald Tribune

PARIS — Betty Chang piously termed it a "miracle." Luis Bruguera grimly called it "quite logical." But it was left to Michael Chang's

hrother, coach and equally poker-faced confidante to come up with the best description of the semifinal that put an end to Sergi Bruguera's two-year reign at the French Open.
"It was," Carl Chang said, "a chess

match.

Like most chess matches, Michael Chang's 6-4, 7-6 (7-5), 7-6 (7-0) victory was more about concentration, quick most chess matches, it was not a whole lot of fun to watch.

Instead, the nattily attired French fans on Center Court sat by quietly and (for a change at this tournament) politely as Chang scrambled, moonballed and ultimately confounded Bruguera at his very own game: patient and opportunistic baseline tennis.

said matter-of-factly.

short sleeves, will need to think and dig ceeded to serve out the match. deeply again to have any chance of re-claiming the Grand Slam singles title he guera, the two-time defending champiwon here in 1989 at age 17. His oppodominant clay-courter of the moment: Thomas Muster of Austria, who growled and rumbled his way past outmanned ideally suited to the medium-speed clay Yevgeni Kafelnikov of Russia in Frin Paris. But rain has slowed down Cenday's other semifinal, 6-4, 6-0, 6-4.

You feel like a small moth against a hig elephant," Kafelnikov said.

It was Muster's 34th straight victory on clay, and it put him in his first Grand Slam final at the relatively advanced age of 27. But then Muster is not one to follow form. The son of an Austrian army officer has been defying odds ever since he emerged from a nation with a great deal more skiing history than ten-

Muster ran into his most imposing ohstacle on the evening of March 30, 1989 in Florida, one hour after reaching the final in Key Biscayne, After deciding to stop his car to buy a sandwich, he was rummaging through the trunk when a drunk driver smashed his car into Muster's vehicle. The impact would leave him with severed tendons in his left knee and a very uncertain future. Before long, he was hack on court

slamming forehands in a wheelchair. Within six months, he was back on the circuit and in 1990, he made it all the way to the semifinals at the French Open.

ning the big one. Now, after improving his diet, monitoring his blood composition and recommitting himself to being more aggressive from the baseline, he is back on the brink. Paradoxically for a player who can exude something resembling animal rage on court, he sounds almost fatalistic about the final.

"Win or lose 1 am happy," he said. When you are young and you come from a family that isn't necessarily wealthy, you play for material things. But now I don't play for anything else but me. Not for the crowd, not for the money, It's the playing that gives me pleasure."

Muster had much to be delighted about against the 21-year-old Kafelni-kov, who, in his first Grand Slam semifithinking and staying power than about kov, who, in his first Grand Slam semifi-brute force and adrenaline. And like nal, failed to match the Austrian's consistent force from the baseline in the first two sets. To his credit, Kafelnikov attempted to change his game in the third, serving and volleying to throw off Muster's rhythm.

with attacking players than baseliners at Roland Garros, and Kafelnikov's tactics "I was tired and when you are tired, convert a break point in the eighth you don't think well enough." Bruguera game, the Russian cracked on his serve Chang, the short and sturdy Ameri- weak backhand volley in the net, can who wears his Christian faith on his Muster roared, pumped his fist and pro-

on, was considerably more unexpected. nent in the final Sunday will be the With his racket-wrenching topspin off both wings, superior footspeed and combative nature, Bruguera's game is ideally suited to the medium-speed clay ter Court in the last 10 days, taking some of the bounce out of the Spaniard's highkicking groundstrokes. At the same time, Bruguera, who missed nearly two months of action early this year with a knee injury, was losing some of the bounce in his legs and experiencing tightness in his lower hack.

trated Bruguera in long rallies, mixing high, slow halls with sharply angled shots. While Chang stayed focused, Bru-

wrong side to serve. Chang clearly prepared well and now

away," said Chang, an avid fisherman who favors angling analogies. "Hopefully on Sunday, we'll put out the lines and of the semifinals at the French Open. have the right bait and hopefully bring him to the boat. Then again, he might be won, 27 have been on clay, but until this out there on Sunday trying to cat my

resolve a ns should meet the into the ble Medi-(Reuters)

nism ion, which ongress on o halt any

Muster always has had more trouble bore fruit for a time. But after failing to at 4-4. When he lost the game with a

Chang's straight-set victory over Bru-

On Thursday, Chang repeatedly frus-

guera spent much of the long afternoon making questionable decisious and mumbling to himself. He even forgot the score at one point, lining up on the

for the first time since 1989, he is back in a Grand Slam final. The had news is that Muster, 3-0 head-to-head against Chang, is blocking his path. "You don't want to let those ones get

year, he never came close again to win- boat and me as well."

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O CAPTAIN, MY CAPTAIN By Coral Amende

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struggie 69 Nanny's charge 70 Green scene 105 Pocket liner 72 Hires a crew. 111 Manifest

74 Linen bue 75 Captain Hook 79 Health care 115 Bygone flag symbol lobby, for short 116 Keeps in

117 "Mean Streets"

118 Whole bunch

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40 Manchuria 41 Settled 42 Actress Sommer 43 Baryshnikov, to friends

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64 "Good ----!" 65 Cost --- and 66 Airline exec Carl 67 "Sesame Street regular 89 More of a boor

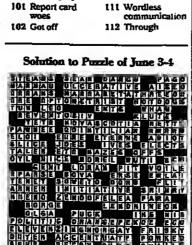
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D New York Times/Edited by Will Shorts-88 "ER" sights t03 Auld lang -89 Emphatic type 104 Instrument with 13 strings 91 Croft t07 Mini-albums, fo 95 Splits 90 Passover feast 108 Varnish base 98 Stoolies

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99 Tom or Sam, e.g.

100 Bluish-gray

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After 2d Operation, Mantle 'Doing Well'

was "doing remarkably well" after a second operation in 24 hours to correct a bleeding problem, and was breathing on his own after being taken off a

respirator Friday, according to hospital officials. The 63-year-old Hall of Famer was listed in critical but stable condition in the Baylor Medical Center's intensive care unit a day

after his liver transplant. We went in and cleaned out a little bit of blood clotting, well and we're very, very found one or two spots that we pleased with his progress."

of this morning's surgery. "It took all of about 30 minutes." Dr. Goran Klintmalm, medical director of the Baylor Trans-

plantation Institute, said Man-

tle watched morning television shows and was in good spirits.
"He said that he feels good and, when asked what his thoughts are, he said, 'Incredi-ble," Dr. Goldstein said a news conference. "So, I think right now that he's doing remarkably

Celtic Swing Out at Epsom

EPSOM, England - With the French Derby winner, Celtic Swing now out of the race, the French-trained Pennekamp. who beat the colt in the 2,000 Guineas at Newmarket, is hot

That means the battle to prove which is the best 3-year-old

colt over 1.5 miles (2.4 kilometers) in Europe has been put on ice until the Irish Derby at the Curragh on July 2.

Pennekamp is rated either 11-10 or 5-4 favorite with the major bookmakers. Spectrum, winner of the Irish 2,000 Guineas, is second favorite at 11-4.

favorite for the English Derby on Saturday at Epsom.

The Associated Press could put a stitch in and closed DALLAS — Mickey Mantle it," Dr. Robert Goldstein said four units of blood before the mal. But he said doctors would surgery, has had no more bleeding since the operation and of returning cancer. could leave the hospital in 21/2 to

3 weeks, said Dr. Goldstein. But, Dr. Klintmalm said the liver removed from Mantle was in worse condition than anticipated and that the former New York Yankees star was lucky to get a new organ in such a short time. "Now I think we'll be dealing

with the typical problems we

see after transplants, such as infection," said Dr. Goldstein. Mantle was diagnosed with progressive liver failure after he was admitted to the hospital on May 28, complaining of abdominal pain. Doctors said Mantle's condition would have dramatically worsened within days had

Without the new organ, Dr Goldstein said, Mantle had "a week, maybe two to live." Doctors said that in addition to cirrhosis brought on by years of alcohol abuse. Mantle also had a malignant tumor blocking his bile duct and a long-

dormant case of hepatitis C.

Dr. Klintmalm said Mantle's

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his liver not been replaced.

continue to watch for any signs

Mantle's son, David, appearing on national television, was asked about criticism of his father getting a liver after only two days on the waiting list since he may have brought about his physical problems with more than 40 years of heavy drinking. "I can understand that," Da-

tor. We're pretty sure, too, that the alcohol had something to do with it. "I think also with the celebrity status, you're going to catch some extra flak for that."

vid Mantle said of the criticism.

"I feel that the hepatitis C was

in there, that was another fac-

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DAVE BARRY

MIAMI — As a lover of nature and a rugged outdoorsperson, 1 enjoy going to remote Craig's court case. It turned out that Craig had wilderness areas where I can relax, "recharge been arrested and tried on charges of — I am not my batteries" and possibly be eaten. So in late making this up — towing a canoe oo a railroad April I hopped on an airplane, then another track. I'm still hazy on the details; it had some-

Following is Part One of a two-part report on my trip.

DAY ONE — 1 arrived in Anchorage and, as is the ancient custom in "The Land of the Midnight Sun," I had the airplane seat cushion surgically detached from my butt. I knew that within just a few miles of downtown there were many spec-

tacular unspoiled areas, virtually untouched by

human civilization. So I went to a bar. There I had a few beers with my friend Craig Medred, who splits his time between writing a column for the Anchorage Daily News and try-ing to get himself killed. Craig is a serious, by which I mean clinically insane, sportsperson. He's the kind of guy who's always heading out to the wilderness for days at a time, crawling around in the snow, chewing pine cones for nutrition, engaging in some extremely rugged sporting challenge such as hunting wolverines with a letter opener. One time, while moosehunting, he encountered some bear cuhs, and their mother - who, as fate would have it, was also a bear, but much larger — attacked and hospitalized him. ("Maul first, ask questions later," that is the mother-bear child-care phi-

My evening at the bar with Craig was surreal. Maybe it was jet lag, maybe it was the general cosmic weirdness that permeates Alaska. It was definitely something. People were talking about the urban moose problem. It had been a very snow-intensive winter, even for Alaska, and there were moose wandering all over Anchorage. This can create problems, because moose, in additioo to being humoogous, are the disgruntled postal workers of the animal kiogdom. Anchorage residents routinely call their employers and say they can't come to work right away on account of there is a moose on the porch. (Do not try this in, for example, San Diego.)

Anyway, we were sitting at the bar, com-

plaining about the moose situation, when some-body said, very calmly, "We're having an earth-

SATURDAY

15/59 11/52 17/62 16/64 20/68 16/61 21/70 20/68 9/48 10/50 11/50 22/71 21/70

25/77 19/66 26/62 26/62 26/64 24/75 32/89 16/61 15/59 15/59 15/59 26/62

Europe and Middle Fast

thing to do with hunting ducks.
As it happened, Craig's lawyer was also in the bar (this kind of coincidence occurs often in Alaska, which has only about 150 residents total). He came over to discuss the case, which ultimately came out in Craig's favor. The lawyer said this was because Craig groveled before the judge, although Craig views the ruling as an affirmation of the fundamental right of every American - not stated explicitly in the Constitution, but clearly implied - to tow canoes on railroad tracks.

At 10 P.M. it was still light outside, but I was exhausted, so I trudged the two blocks back to my hotel, keeping a wary eye out for moose and other dangerous urban criminal elements. Yes, Alaska does have crime. I know this because alert Alaskan reader Jenny Leguineche has seni me selected excerpts from Dispatch Alaska, a section of the Anchorage Daily News that reprints news items from other newspapers around the state. Here are some actual items:

From the Seward Phoenix Log: "Male reported that his dog was stolen from his residence and he had a ransom oote."

From the Daily Sitka Sentinel: "A man was reported to be beating on a boy, but the two turned out to be having a dandelioo fight." And these alarming items from the Petershurg

"A caller reported that he had received a report regarding someone speeding in a forklift at Chatham Strait Seafoods.

"A caller reported that he had returned to his residence where he was staying and a ball was missing from the front porch. The caller stated that neighbors had seen an individual take the ball and use knives on it."

Despite this crime wave, I made it safely back to the hotel, where I was able - call it an instinct - to locate my room. I immediately went to bed so as to rest my body for further Alaskan adventures, which could, I knew, require me to actually leave the hotel vicinity. But that is the price you pay when you possess the kind of pioneering spirit exemplified by men such as Lewis and Clark, both of whom — and don't try

quake."
"WHAT?" I said, adding: "NOW?"
"Look at the lights." somebody said. Sure enough, the chandeliers were swinging back and forth. Nobody seemed remotely alarmed by this.

to ten me this is controlled.

TUNE IN NEXT WEEK for Part Two of this series, featuring glaciers and a terrifying encounter with Binky the Tourist-Eating Bear.

Knight-Ridder Newspapers. to tell me this is coincidence — are dead.

TUNE IN NEXT WEEK for Part Two of this

A TV Network for the Food Obsessed

International Herald Tribune

NEW YORK — Increasingly, food is a way New Yorkers define themselves ("I don't do pizza." a young woman executive told Allure magazine). It is the ultimate lifestyle accessory, whether in the form of a personal nutritionist, the new Reebok supergym on the Upper West Side with its chefs from TriBeCa, or even the report from an emergency room physician on the "unbelievable" number of injuries incurred while slicing bagels.

The whole country has become one bad recipe, a well-known writer says. Reese Schonfeld purs it

MARY BLUME

differently: American food obsessions, he says, are "almost a mark of cultural decadence: You get more

interested in consumption than production. Schonfeld is president of the TV Food Network, a New York-based nationwide cable station that broadcasts round the clock on the subject of food: 24 hours devoted to eating. TVFN began broadcasting on Nov. 23, 1993, and now has 13 million subscribers, surpassing its own forecasts. It claims more working women and high-income viewers than other cable channels. . Schonfeld is discussing the creation of

TVFN clones in two countries in Europe. Neither Schonfeld nor his wife, producer Pat O'Gorman, is especially interested in food and Schonfeld has only recently learned how to boil a 3minute egg. "I am a television producer, producing is producing whether it's food or ball garnes." O'Gorman says. Schonfeld, who was the founding president of Cable News Network, says that when people ridicule TVFN he remembers that they also said that no one would want to watch 24-hour news on CNN. 'Anything that works in print will work on television, it's a simple rule I believe in absolutely," Schonfeld says. "I am a newsman. My beat now is food."

The mix is as savant and sickeningly compelling as a junk food snack, ranging from suave gourmet David a junk food snack, ranging from suave gournet David Rosengarten on Thai curry pastes to a series for beginners called "How to Boil Water." Mirroring major network TV, there are film classics in the form of old programs by Julia Child and nightly food news coanchored by the wife of the mayor of New York.

The egregious Rohin Leach of "Lifestyles of the Rich and Famous" has a spot oo which celebrities confide pet recipes (io one departure from formula Leach interviewed a coovict about prison cell cook-

Leach interviewed a coovict about prison cell cookery, which apparently involves using live wires. "It's a little dangerous hut eating the food in the mess hall is dangerous too," the prisoner said).

There are regional chefs, cross-country visits to

restaurants, meatless meals and Dehhi Fields of Mrs. Fields Cookies fame who mixes "sinfully rich" batters undistracted by three-inch fingernails and very big



hair. Gym classes with Olympic champion Nadia Comaneci have been dropped hur there is a phone-in Comaneci have been dropped but there is a phote-in health program led by an obesity expert from New York Hospital and a pleasingly plump female sidekick who declared last August, "I feel that gening healthy is the next best thing to being a brain surgeon."

One of Schonfeld's shrewder confections is

"Feeding Your Family on \$99 a Week" in which Michele Urvater prepares foods for a family of four, including what she calls classic strategies for Leftover Day. Urvater, a well-known cookery writer who was raised in Belgium where they know how to eat, says she sometimes longs to splurge: "I want to say give me a red pepper. A mushroom has oever made its appearance on the show."

Urvater and her colleagues draw 10,000 viewers' letters a week. The most unlikely people watch the channel, O'Gorman says, although in Manhattan it is at present available only from midnight to 8 A.M. "A book publisher said we're the Danielle Steel of television," adds her husband. "They all knock you like

an AIDS ribbon, says the channel thrives because food is the 1990s equivalent of sex: "Food makes you feel good, it's instant gratification, it doesn't give you AIDS, it doesn't give you babies and it doesn't hurt you."

It isn't a pretty world out there but on TVFN not even a soufflé will fail. "No. You know it's going to be perfect because it's on television. And you, too, can make that souffle." The American obsession with food will last, she predicts, until the next fad, or maybe longer "because you always have to eat."

And eat. And eat. One third of American adults are obese, spending \$30 billion per year on diet and weight-loss products. According to a TVFN survey. hostility to the overweight is one of the few remaining acceptable prejudices: "What good are these people? and "Ugh! She looks like she's on public assistance" were two responses to photographs.

But even that may change. A scientist has just announced a new way of reducing the fat content in pork chops by a form of permanent liposuction. If successful, it will be tried on overweight American hell and then watch you all night long."

O'Gorman, slim as a Laguiole knife and wearing pets and, eventually, on their owners.

WEATHER

Forecast for Sunday through Tuesday, as provided by Accu-Weather North America Europe

LEISURE DESTINATIONS

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Europe and Middle East

SUNDAY

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pc	Hira Jamal, 2, hlew kisses to relatives welcoming her home t
1	Karachi, Pakistan, from Toronto, where she was separated from
٠.	the City of the Country of the Count
:	her Siamese twin sister. The sister, Nida, did not survive. "She
eh.	always asking about Nida and we just tell her that Nida is gone t
1	God," said ber father, Anwar Jamal. Hira and Nida, who ha
r	Con. Said her famer, All Wal Jamas, Tilla and Tilla, who ha
_	been joined at the head, were among triplets born 29 months ago
	The third child, Faryal, was healthy and accompanied her sister
	on their seven-mooth trip to Canada, Prime Minister Benazi
	on their seven-moon trip to Canada. Finne withister benazi
	Bhutto had intervened to help send the sisters to the Sic
	Children's Hospital in Toronto. The \$450,000 medical costs wer
ded 995	
ms	shared by Pakistan and Canada, said Jamal, who carns about \$15
	a month working for a convict service

"Portrait of the Royal Tiger," by the 18th century painter George Stubbs, sold for £3.2 million (\$5.1 million), a record

When Social Security officials wrote to Audrey Stubbart to ask her to come to their office for a review of her case, she had to disappoint them. "I had to call them to tell them I couldn't make it during the day," said Stubbart, who turned 100 Friday, "because 1 have to be at work." Probably the world's oldest copy reader and columnist. Sumbart works 40 hours a week for The Examiner in Independence, Missouri, and has since she took the job as a temporary post after her forced retirement from a publishing firm 33

Seventy-ooc years ago, Burgess Meredith was a 12-year-old

PEOPLE

THE ELDER son of the Prince and Princess of Wales, Prince 1. William, this week took the entrance exam for Eton College, where 19 future British prime ministers studied. Prince Charles, William's father, is a great admirer of the former headmaster of Eton, Eric Anderson, his favorite teacher when he attended Gordonstoun, a boarding school in Scotland. As for Diana, both ner father and her brother are Old Etonians. Prince William, 12, is to be treated like any other Etonian, school officials insist.

The irreverence of Gilda Radoer was everywhere on display when Geoe Wilder opened a club to honor his late wife. At a ribbon-cutting ceremony for Gilda's Club, Wilder said Radner old him in a dream what she thought of the club. "I think Gilda's Club is a wonderful thing and I'm glad you called it that 'cause it made me laugh," he quoted her as saying. "I wish I could have gone there when I was alive, but — never mind." The punch line was reminiscent of Roseanne Roseannadana, the zany TV news commentator Radner played on "Saturday Night Live." Radner lied of ovarian cancer in 1989. Wilder founded Gilda's Club, which provides free social and psychological support for cancer patients and their families.

price for the British artist, Christie's auction house said. An unidentified huyer purchased the almost lifesize portrait of a beautifully marked tiger lying in a rocky landscape, which was painted for the Duke of Marlborough in the early 1760s. The previous record for a picture by Stubbs was £1.3 million.

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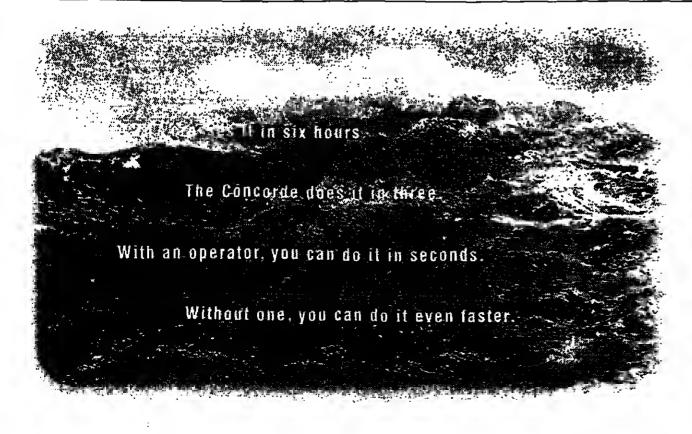


The Princess of Wales, in Venice for an art fund-raiser.

soprano soloist with the Cathedral School Choir at the Cathedral of St. John the Divine in New York. The actor is no longer a soprano or a soloist, but on Sunday he will sing with a student-adult choir at the cathedral, his first visit to the campus in years.

Halle, Germany, the birthplace of George Frederic Handel, is giving this year's Handel Prize to Winston Dean, 79, a British specialist on the 18th-century composer.

The actor Christopher Reeve, who was paralyzed after falling from a horse and breaking his neck, has regained some movemen on both sides, his neurosurgeon said. Dr. John Jane called the actor's progress 'encouraging.' Reeve, 42, known for his lead role in the "Superman" movies, remains on a respirator.



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